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# AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 1995

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Agriculture, Rural Development, Foo...

## HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, FOOD AND  
DRUG ADMINISTRATION, AND RELATED AGENCIES

**RICHARD J. DURBIN, Illinois** *Chairman*

JAMIE L. WHITTEN, Mississippi  
MARCY KAPTUR, Ohio  
RAY THORNTON, Arkansas  
ROSA L. DELAURO, Connecticut  
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ROBERT B. FOSTER, TIMOTHY K. SANDERS, and CAROL MURPHY, *Staff Assistants*

### PART 5

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Printed for the use of the Committee on Appropriations

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U.S. GOVERNMENT PRINTING OFFICE

78-582

WASHINGTON : 1994

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For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-044358-X

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# **AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR 1995**

THURSDAY, MARCH 10, 1994.

## **SOIL CONSERVATION SERVICE**

### **WITNESSES**

**JAMES R. LYONS, ASSISTANT SECRETARY, NATURAL RESOURCES AND ENVIRONMENT, DEPARTMENT OF AGRICULTURE**

**PAUL W. JOHNSON, CHIEF, SOIL CONSERVATION SERVICE**

**PEARLIE S. REED, ASSOCIATE CHIEF**

**GARY A. MARGHEIM, DEPUTY CHIEF FOR PROGRAMS**

**MANLY S. WILDER, DEPUTY CHIEF FOR STRATEGIC PLANNING AND BUDGET ANALYSIS**

**JUDITH C. PALENSKY, DIRECTOR, BUDGET PLANNING AND ANALYSIS DIVISION**

**STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE**

Mr. DURBIN. Good morning. This morning we're considering the budget for the Soil Conservation Service for fiscal year 1995. We are pleased to be joined by James Lyons, who is the Assistant Secretary for Natural Resources and Environment, Paul Johnson, Chief of the Soil Conservation Service, Pearlle S. Reed, Associate Chief, Gary A. Margheim, who is Deputy Chief of Programs, Manly Wilder, Deputy Chief for Strategic Planning and Budget Analysis, Judith Palensky, Director of Budget Planning and Analysis, and our friend, Steve Dewhurst.

Mr. Lyons, we have your statement for the record. We invite you now to highlight it and tell us a little bit about your needs for next year.

### **OPENING REMARKS BY ASSISTANT SECRETARY**

Mr. LYONS. Thank you very much, Mr. Chairman. On behalf of Secretary Espy, I want to thank you for this opportunity to appear before you today to discuss the fiscal year 1995 request for the Soil Conservation Service.

I have been on board almost a year now as the Assistant Secretary for Natural Resources and Environment, and I will admit this is my first experience and exposure to the administrative budget process. I've had the pleasure of working with the subcommittee members before in my capacity as staff to the House Agriculture Committee, working with Chairman de la Garza.

It's very different downtown, I can assure you, and I know you are aware of that.

You have my written remarks, so I will not go into matters in great detail. My real purpose in being here this morning, Mr. Chairman, is to introduce Paul Johnson, who is the new Chief of the Soil Conservation Service.

We are excited about having Paul on board, heading up our conservation efforts as a part of the Secretary's natural resources team. Paul's background is that of an Iowa farmer, a forester, and a former state legislator. He is very active in a number of issues particularly related to water quality and the Iowa landmark groundwater protection bill.

He's been a leader in agricultural conservation for a number of years, and we're confident he'll continue to show that leadership at the helm of the Soil Conservation Service.

He is joined by Pearlie Reed, who was formerly the state conservationist from California. Pearlie has broad experience and brings to the team a wealth of information and understanding about the organization itself. I think between the two of them, we have a very effective leadership team.

Before I turn to Paul, I would like to highlight a few of the issues and concerns we have with regard to the budget.

#### BUDGET ISSUES AND CONCERNS

First, I would say that the budget reflects the Administration's commitment to fiscal responsibility in government, and an attempt to address, of course, the budget deficit concerns. I know you've heard that many times before.

However, we have made a sincere commitment to try and establish priorities in a way that will allow us to achieve our primary conservation goals while addressing these budget deficit concerns.

There are successful and important programs we recognize within the budget that had to be reduced in size if we were to meet our budget deficit targets. We had to make some tough choices, and I know we will have a chance to discuss those this morning.

We believe the process that led to the hard choices we had to make in the present Soil Conservation Service budget could be improved, but to do so, we need your help. We look forward to working with you and your staff in developing this budget, and perhaps also working towards a new approach to developing the fiscal year 1996 request.

There are many competing demands for services and assistance from the Soil Conservation Service, and we must go through a rational process for examining these needs and trying to balance them with funds to pay for them.

We will work with our employees, our customers and our constituencies to try and achieve these objectives. This is in fact what we've done in developing this important budget.

You will see, Mr. Chairman, that we have placed priority in a number of areas. We have an impending deadline for completion of the conservation compliance plans at the end of this year. We are investing resources in our conservation operations program to try and achieve that goal, and to try and provide complete service to those farmers who have to complete their conservation plans by that time.



We are also placing high priority on addressing water quality concerns. That is reflected in a number of areas. It also is reflected in the budget of the Agricultural Stabilization and Conservation Service, particularly in investments in the Wetlands Reserve Program. I know that you have had some discussions with the folks from ASCS already.

You are aware that the Secretary has presented a proposal for USDA reorganization. As a part of that proposal, we would seek to fold the conservation cost-share programs of the ASCS into a new agency we call the Natural Resources Conservation Service.

I know there has been a great deal of controversy about that. There's been a subcommittee mark-up by Chairman Stenholm here in the House. Yesterday, Senator Leahy marked up his reorganization bill, over at the Senate.

I would point out that our efforts in this regard are to try and provide as efficient and effective service as we can to all the constituencies who seek conservation services from USDA.

Our ultimate goal is to provide the conservationists with all the tools necessary to do the job on the ground. We feel this kind of reorganization is the best way to get at it.

I would make one further point before I turn things over to Paul, Mr. Chairman. We are serious about trying to improve the efficiency of our operations and the effectiveness of our service delivery system.

In that vein, we are about to launch our own review and reinvention effort as a means of assessing what kind of Natural Resource Conservation Service we need, what kind of structure, personnel and resources are necessary to meet not only the challenges that remain in this century, but those that we'll face as we enter the next century.

This process will be a broad process. We will work closely with our sister agencies as well as with the public. We look forward to working with you and your staff as we conduct this assessment and begin the process of restructuring our organization to deal with those conservation challenges we face down the road.

Thank you very much.

Mr. DURBIN. Thanks, Mr. Lyons. Mr. Johnson?

#### STATEMENT BY SCS CHIEF

Mr. JOHNSON. Thank you, Mr. Chairman and members of the committee. I appreciate the opportunity to be here today to discuss the fiscal year 1995 budget request for the Soil Conservation Service.

I would add at the start that I have been on this job for two months, and because of that, I don't pretend to know all the technical ins and outs of this, but I brought some very good people along with me, and together I think we will do our best to answer your questions.

We look forward to working with you as we move ahead to define an agenda for conservation in the context of today's economic and environmental challenges. Our current concerns are centered around the highly erodible land conservation program, wetlands, reorganization, and the Midwest flood relief efforts.



## 1985 FARM BILL

The end of this year is a milestone in the process established in the 1985 Farm Bill, and farmers are expected to have their conservation plans in place at the end of this point. We expect that the vast majority of farmers will have met this challenge, and will be well-positioned to carry on with this success in the years to come.

Current status reviews show that over 90 percent of the farmers will have their plans in place.

As the national average, erosion rates on a highly erodible land will be down to six tons per acre compared with 17 tons per acre before we started. I think this is a major accomplishment, and something that all of agriculture can be very proud of.

Beyond 1994, farmers are expected by law to continue their conservation work, and we will continue to make it our priority to help farmers meet this challenge.

## WETLANDS

In regards to wetlands, SCS has been given major new responsibilities for the delineation of wetlands on agricultural land. We take this responsibility very seriously in terms of the opportunity we now have to reduce the confusion producers have experienced in confronting this issue, and also to insure our improved effectiveness in protecting these important resources.

I have put together a special team to oversee this effort. They are presently staffing up, both in Washington and across the nation, to deal with the wetlands issues.

The 1995 budget includes an increase of \$15.6 million, and 265 staff years to help with this workload. The budget also incorporates a number of initiatives related to USDA reorganization and streamlining plans.

First and foremost of these is the consolidation of USDA conservation programs under the new Natural Resources Conservation Service.

I would like to emphasize that our plans to seek broad-based input into the development of our plans for renewing the Soil Conservation Service from our employees, our customers, our partners, and those with an interest in the conservation mission of this department, including those who don't always agree with us.

In that, I think it is very, very important if we're going to get conservation on the land that all people who are affected by it are involved in that process.

We want to do the best possible job of enhancing our ability to deliver services at the field level. We will do this by building on the strengths our people and our programs already have, and I believe they are considerable. This will be a long-term initiative.

## MIDWEST FLOOD RELIEF

Finally, I would mention briefly the ongoing Midwest flood relief effort. Over 40 percent of these projects eligible for our assistance in the nine states that are impacted by this disaster are either completed or under contract.



The recently-enacted supplemental would give us the opportunity to move ahead to meet other needs, including additional enrollments in the Emergency Wetland Reserve Program, and repairs of large agricultural levees.

We will keep the Committee informed of progress in this effort.

#### 1995 SCS BUDGET REQUEST

In summarizing our 1995 budget request, there have been some decisions in terms of our program priorities. The budget request for these programs traditionally administered by SCS is \$726 million, a net funding decrease of \$196 million, or about 21 percent below the 1994 appropriation level.

SCS technical assistance and the planning capabilities, which we consider our very highest priority activities, will be maintained.

This assistance would emphasize the protection of wetlands, including the strengthened delineation responsibility mentioned earlier, and assistance for a 300,000 acre enrollment under the regular Wetlands Reserve Program.

Other priorities include support for maintenance of the highly erodible land conservation plans, water quality, and assistance to urban and rural communities for the protection of soil and water resources.

The watershed construction program would be eliminated, and reductions are proposed in financial assistance provided through the Great Plains Conservation Program, and through RC&D.

Without question, Mr. Chairman, this is a tough budget. We are committed to the need for fiscal responsibility and to make the very best use of the resources available to continue our work in protecting the soil and water resources of this country.

Thank you. We would be happy to entertain any questions.

[CLERK'S NOTE.—The biographical sketches of Mr. Lyons, Mr. Johnson, and Mr. Reed appear on pages 110 through 112. The statement of Mr. Lyons appears on pages 113 through 121. The statement of Mr. Johnson appears on pages 122 through 129. The Explanatory Notes appear on pages 130 through 231.]

#### CONTRACT EMPLOYMENT

Mr. DURBIN. Thanks, Mr. Johnson. Let me ask either you or Assistant Secretary Lyons to apprise us of the current number of contract employees within the agency, and if you would at the same time, tell us your current level of FTEs and your planned reduction in force to meet the Administration's goal.

Mr. JOHNSON. With regards to contract, we at present have 110 staff-years on contract, primarily in developing software and working in our computer areas.

The employment reduction figures, we are going from a ceiling in 1993 of 13,862, 1994 of 13,711, 1995 of 13,172, although only about 12,800 are affordable under our present budget, and then on down by 1998 to 12,750.

Mr. DURBIN. We are, of course, going to do our best to work with the Department to meet these reduction-in-force goals. We are trying to keep in perspective the number of contract employees in each agency in hopes that we can add that as part of the discussion in how to meet these goals.



The net result will be the same in terms of reducing the taxpayers' liability for the services that are rendered, but I think it's only fair to consider contract employees as well as the full-time civil service employees as we get into this decision process.

We are finding that each agency currently has some contract employees. We have to decide whether or not the services that are being provided through contracts are so unique or cost-effective that they should remain under this type of approach. I assume that that will be part of your thinking as you deal with the out-year budgets after this first voyage which you are on here.

Mr. JOHNSON. We will do our best on that issue.

#### WETLANDS RESERVE PROGRAM

Mr. DURBIN. Let me ask you about technical assistance. One thing that puzzles us is the request by the Administration for a rather substantial expansion of the Wetlands Reserve Program, \$240 million to include 300,000 more acres, almost tripling the amount that is currently underway through this program. And of course, the role of your agency in providing technical assistance is very important.

Based on the 1992 pilot program, SCS technical assistance costs were about \$124 an acre. If we increase the program to 300,000 acres, this comes to about \$37.2 million. It will cost you that much to provide the technical assistance needed to get this effort underway, and yet your request for all technical assistance for next year is only \$28.1 million.

Mr. LYONS. We are trying to do more with less, Mr. Chairman, I'm afraid.

Mr. DURBIN. You obviously would have to. Doesn't this assume then that you wouldn't be using technical assistance dollars for other programs?

Mr. LYONS. I think that reflects some of the budget realities. I am sure someone on the staff can give you an estimate of the need and why we came up with that specific number. We are going to continue to attempt, given the limited resources, to provide the technical assistance at a lower cost.

I think the first year or two of WRP was a learning period for us, as well as for ASCS in developing the process. We certainly hope we can reduce the cost of providing technical assistance on WRP acres.

Whether or not we can service all the acres that are proposed for enrollment is going to be a matter to be determined in the field. We will certainly try and find what support we can. I don't know if Paul can give a more specific answer than that, but obviously it presents a challenge that we recognize.

Mr. DURBIN. Have you allocated the \$28.1 million increase for technical assistance as to how much will be used for wetlands reserve and how much will be used for other purposes?

[Pause.]

Ms. PALENSKY. At this point, we have not specifically allocated that.

Mr. DURBIN. That puts us in a delicate position, because if we don't agree with the premise of increasing the Wetlands Reserve



Program by 300,000 acres, it would then lead us to conclude that \$28.1 million is unnecessary, or some part of that amount.

So we are going to need some guidance from you in terms of how much you would allocate for that purpose so that we keep the other technical assistance aspects of the agency intact as the next fiscal year gets underway. Would you provide a table, for the record, showing the cost of technical assistance provided to each of the programs you administer for fiscal years 1990 through 1994 as well as estimates for fiscal year 1995.

Mr. JOHNSON. We will be happy to provide that information for the record.

[The information follows:]

# SOIL CONSERVATION SERVICE TECHNICAL ASSISTANCE PROVIDED FOR CONSERVATION PROGRAMS

[In thousands of dollars]

Direct appropriations	Actual				Estimate	
	1990	1991	1992	1993	1994	1995
Conservation operations:						
Technical assistance .....	396,462	426,042	477,558	483,666	509,425	549,876
Soil surveys .....	67,964	69,698	72,658	71,456	75,002	75,258
Snow surveys and water forecast .....	5,442	5,553	5,718	5,576	5,957	5,756
Plant materials centers .....	7,153	7,857	8,056	7,447	9,506	8,745
Total, conservation operations .....	477,021	509,150	563,990	568,145	599,890	639,635
River basin surveys and invest .....	12,217	12,675	13,151	13,193	13,482	11,000
Watershed planning .....	8,779	9,138	9,519	9,518	10,921	7,400
Watershed and flood prevention operations:						
P.L. 534 operations .....	13,029	14,814	15,844	18,176	18,124	0
Emergency watershed prev. oper .....	15,197	12,781	7,912	20,677	40,534	0
P.L. 566 small watershed oper .....	58,229	59,876	64,597	68,031	69,742	25,000
Total, WFPO .....	86,455	87,471	88,353	106,884	128,400	25,000
Great plains conservation prog .....	7,966	8,683	9,067	9,007	9,293	8,892
Resource conser. and develop. prog .....	23,145	24,339	31,384	30,795	29,615	26,157
Total, appropriated funds .....	615,583	651,456	715,464	737,542	791,601	718,084
Rural abandoned mine program .....	4,400	4,350	4,608	4,744	4,855	0

Mr. DURBIN. Would you also provide a table, for the record, showing the amount transferred to your agency for technical assistance from the cost-share programs of ASCS for fiscal years 1990 through 1994 as well as the amount included in the fiscal year 1995 budget request.

Mr. JOHNSON. We will provide a table for the record that shows the amounts that the Agricultural Stabilization and Conservation Service reimbursed the Soil Conservation Service to provide technical assistance for the conservation cost-share programs for fiscal years 1990 through 1994 and the amount of direct appropriation estimated for this purpose in the fiscal year 1995 budget.

[The information follows:]

**SOIL CONSERVATION SERVICE**  
**TECHNICAL ASSISTANCE PROVIDED FOR ASCS COST-SHARE PROGRAMS**  
(obligations in thousands of dollars)

<u>PROGRAM</u>	1990 Actual	1991 Actual	1992 Actual	1993 Actual	1994 Estimate	1995 a/ Estimate
Agricultural Conservation Program.....	\$8,552	\$8,471	\$9,256	\$9,289	\$9,733	\$5,263
Water Bank Program.....	547	746	1,065	1,118	400	640
Emergency Conservation Program.....	646	464	832	1,466	--	2,047
Rural Clean Water Program.....	880	828	442	8	--	--
Conservation Reserve Program.....	16,393	5,720	11,400	8,944	4,704	1,414
Wetland Reserve Program.....	--	--	--	4,914	3,463	34,200
Colorado Salinity Control Program.....	3,769	5,145	5,247	4,888	4,900	5,010
Total, Reimbursements or Budget Authority for Conservation Programs.b/.....	<u>\$30,787</u>	<u>\$21,374</u>	<u>\$28,241</u>	<u>\$30,627</u>	<u>\$23,200</u>	<u>\$48,574</u>

a/ Fiscal years 1990 through 1994 reflect actual reimbursements for technical assistance. Fiscal year 1995 reflects new budget authority appropriated directly to the Conservation Operations account to provide technical assistance for the conservation cost-share programs. An additional \$4.1 million dollars in carry over funds would be available in 1995 for reimbursable work started and funded in prior years for the Conservation Reserve program (\$1.6 million) and the Wetland Reserve Program (\$2.5 million).

b/ Totals may not add due to rounding individual program amounts to thousands of dollars.

Note that the technical assistance needed to support the Wetland Reserve Program has been reduced from \$124 per acre in the pilot program to \$70 per acre for current year sign-ups. The reduction is based on elimination of the requirement that a full Wetland Reserve Plan of Operations be developed for all bids competing for entry into the program. The 1994 program requires a preliminary plan for each bid and a complete Wetland Reserve Plan of Operations for only high priority requests. The fiscal year 1995 budget proposal reflects a \$114 per acre cost based on expanding the program from 20 states in 1994 to nationwide in 1995. The cost per acre varies for each year due to the rules regarding the Wetland Reserve Plan of Operations, the specific states eligible for enrollment, and the average size of the wetlands that are enrolled.



## INCREASED FUNDING FOR ASCS CONSERVATION COST-SHARE PROGRAM TECHNICAL ASSISTANCE

Mr. DURBIN. Is the increase of \$28,120,000 for technical assistance provided for ASCS conservation cost-share program adequate to cover the actual need?

Mr. JOHNSON. Yes, the increased funding is adequate to cover technical assistance needed in 1995 for the ASCS conservation cost-share programs. Proposed funding in the 1995 budget would increase the total staffing level for conservation technical assistance provided by reimbursable and directly appropriated funds by 7 percent to 9,448 staff years. The major change in funding technical assistance for the ASCS conservation cost-share programs would be a technical one. Currently, technical assistance is funded as part of the ASCS program account through a reimbursable agreement with the Soil Conservation Service. The 1995 budget proposes to fund the technical assistance directly in the Conservation Operations appropriation account. The change is proposed to reflect the creation of a new USDA agency, the Natural Resources Conservation Service, which would include the ASCS conservation cost-share programs except for the Conservation Reserve Program and the Soil Conservation Service programs.

## WATERSHED AND FLOOD PREVENTION OPERATIONS

Mr. DURBIN. Let me talk for a minute about the Watershed and Flood Prevention Operations program. This budget request proposes to eliminate this program, noting the \$25 million request is for phase-out costs.

From our perspective, this is one of the main programs of your agency, and I guess I'm a little bit surprised with this proposal when you consider the Administration's environmental commitment.

This program has been an important part of environmental clean-up, and an important part of overall ecosystem management relating to agriculture. We're concerned about how many projects will be left uncompleted at this point, and who will complete them and continue to improve our watersheds.

Mr. JOHNSON. You're absolutely right. The watershed program has been a very important part of our history, and it still is today. We have a very large number of projects that are in the planning stage. The numbers I have in front of me right now are 595 projects currently in the construction phase, with remaining Federal costs of \$1.2 billion.

Most of the 595 projects currently in construction are multi-purpose. Sixty-five percent have flood prevention as a purpose, 40 percent have water quality, 20 percent have water-based recreation, and 15 percent have domestic water supply as a purpose.

According to our present budget, no new construction or land treatment contracts will be signed after June 1st, 1994.

About 400 contracts in 47 states will not be signed in 285 active projects that were funded in 1994.

Mr. DURBIN. What happens to the projects?

Mr. JOHNSON. Some of the projects will be picked up and carried on by local entities. There certainly is local money going into those projects.

The others, without the funds, we certainly are not going to be able to carry on with them.

Mr. DURBIN. Are there any other Federal programs that they can turn to for completion?

Mr. JOHNSON. I'm not aware of other Federal programs dealing specifically with these issues, but as I mentioned, there are a lot of projects that will go on with local funds, and with state dollars.

Mr. DURBIN. Are you continuing to sign-up projects under this program in this fiscal year?

Mr. JOHNSON. We have, but we will certainly stop that under the new budget proposals.

Mr. DURBIN. I would hope so. I think that might be misleading to some of the local sponsors if there is a suggestion that there will be money, and the Administration on the other hand is eliminating the program.

Mr. JOHNSON. There are a number of projects on the books in the watershed program that we are taking a very good look at.

The program has changed over the years from one of primarily construction to one of many more land practices. We are in a transition stage there.

I've also asked that we would take a very good look at the watershed projects that we have done, and that we are planning, and make sure that they fit with the needs of society and the needs of our interest in the future to build more multi-purpose uses for those projects.

#### THE 1995 FARM BILL

Mr. DURBIN. Let me turn to another subject, perhaps a little cosmic in nature. In light of this last conversation we had here about the elimination of the watershed program, we are about to embark on a debate over the parameters and direction of the next farm bill.

Of course, in the context of budget deficit reduction, we will be making some pretty difficult choices, as we have in the past.

In the area of soil conservation, could you outline for me what you consider to be the highest priorities in the next farm bill, in light of the budget realities and what, in 60 days, you have found to be a fact in your new job?

Mr. JOHNSON. First of all, I think it is very important that we carry on the work that we've done over the years, working together with farmers to get conservation on the land with a voluntary educational approach.

We are good at that. We've had 60 years of experience with that now, and I think it's essential that we continue to be able to do that.

We have the process that was started on highly erodible lands back in 1985 and that's not going to go away. At the end of the ten year period which is December of this year, we will have in place a lot of practices on those highly erodible lands, but we must continue to work with those farmers.



As you know, farming can't be done by a recipe, and it's very important that we work hand-in-hand with farmers to keep those goals of reducing erosion.

I think as we look to the Clean Water Act, we're going to be much more involved in more holistic planning with farmers, and what we call ecosystem-based assistance where we don't just work on one issue such as soil erosion, but that we look at a much broader range of things.

We started doing that back in the 1930's with our watersheds. There were multiple issues that we dealt with with farmers, and I think it's essential that we get back to that, and we get out on the land with the farmer and we talk about the needs of that land, and together, we put together the conservation practices.

Mr. DURBIN. I'm sure that Iowa farmers, like Illinois farmers, get a little nervous when they hear the terms holistic and ecosystem. [Laughter.]

Wondering whether Federal government agents are far behind enforcing these practices and what it's going to cost.

Mr. JOHNSON. Yes.

Mr. DURBIN. I have found, as you have, I'm sure, with your background, that the role of farmers in environmental protection is often overlooked. There is a real dedication by the vast majority of farmers to do the right thing with their land.

They are frightened by the prospect of dramatic changes in the way they're going to farm in the future which might increase their costs without any help from the government. I guess that really gets to my final point, and that is, do you see, in the next Farm Bill, the need for more effort by the Federal Government for cost-sharing as we try to come up with new conservation goals, and goals consistent with your agency?

#### COST SHARING ASSISTANCE

Mr. JOHNSON. Cost-sharing has always been an important part of getting conservation on the land, and I think it is important, and there are many ways to look at cost-share. There is the ACP program. We have our Great Plains program. These are all very important.

I think as we look to the 1995 farm bill, and look at possibilities here, we should broaden our thoughts a little bit, think a little bit more in terms of innovative ways of doing things.

A great deal has been talked about—stewardship payments of one sort or another, and I would like us to take a good look at that.

In that regard, I've asked that we pull together some forums around the country and start talking with farmers and with people out on the land, and get some of their ideas on how best we can do that.

We have a tendency here to know what farmers need inside the beltway. I've been here two months, and I'm already feeling that tendency.

Mr. DURBIN. Suppress that, if you can. [Laughter.]

Mr. JOHNSON. I'm doing my best. One way I want to do it is to make sure that throughout this country we have a very major dialogue on conservation and how we do these things together.

Mr. DURBIN. Fine, and I thank you for that.

Mr. LYONS. Mr. Chairman.

Mr. DURBIN. Yes.

#### THE 1995 FARM BILL

Mr. LYONS. If I could just briefly comment on three points on the farm bill. Having lived through the 1990 Farm Bill, as a member of the staff on the Hill, it was an interesting and enlightening experience to see how this came together. Of course the work we did with the Appropriations Committee was critically important in that vein.

But Paul has hit on a very important point. We need to be more efficient and more effective at what we do, and we need to have a wide-range of tools to work with in providing conservation assistance to producers, as well as to others who seek conservation services.

I know you are well aware that the demands placed on the Soil Conservation Service now extend beyond simply rural America and into suburban areas, and it is creating a whole new kind of service that we have to provide.

What we need to ensure is that we have a wide-range of tools to work with so we can tailor conservation plans to the needs of particular producers. That is one of the reasons we've proposed to shift programs around and put them all in one place. The conservationists on the ground will have a complete tool kit that may run from simply providing technical assistance to providing cost-share assistance where the need truly exists, to land set-aside or easement programs, whatever comes of CRP or the conservation easement programs, or WRP-type programs.

We need to custom-tailor a plan to meet producers' specific needs. That is critically important because as we try to look at things on a watershed basis, on a holistic basis, rather than stirring up fears of creating a new regulatory framework, we're really trying to provide relief and target assistance to particular needs where the problems are particularly great. That's the benefit of looking at the landscape on a watershed basis.

Traditionally we've provided assistance to every producer as if the needs were equal across-the-board. As the dollars get tighter, as the resources become more limited, we have to be more focused.

This allows us to look at things in context and really target the assistance where it is needed. If we have a wide range of tools and an adequate tool kit, then I think we can do a much more efficient job of delivering the resources and the assistance where it is truly needed.

We'll get better conservation for it in the end which is ultimately our goal.

Mr. JOHNSON. We could talk about this all day.

Mr. DURBIN. I want to defer to my colleagues too.

Mr. JOHNSON. But I think it is very important as well that we try to mesh the programs that we have together with other Federal and state and local agencies. We're doing our best to do that, and I think under the Secretary's reorganization plans where cost-share programs would be together with the Natural Resources Conservation Service, we would be able to host that process, and really look forward to doing it.



I think we have some exciting times ahead of us.

#### EMPLOYMENT REDUCTIONS

Mr. DURBIN. The budget request also proposes to reduce employment by 730 staff years in fiscal year 1995. You propose to reach this reduction through attrition and buy-outs. What is the agency's normal rate of attrition? What action would you have to take if you do not receive buy-out authority?

Mr. JOHNSON. The Soil Conservation Service normally experiences an attrition rate of about 3.5 percent. The normal attrition rate will not produce sufficient losses of staff in fiscal year 1995 to meet the decrease of 730 staff years. Much of the decrease is related to the elimination of the Watershed and Flood Prevention Operations Program. If we do not receive buy-out authority, most of our temporary and intermittent staff will be eliminated to make up the difference, and full-time employees that would normally work on watershed or flood prevention projects will be reassigned to other programs. The buy-out will provide us more flexibility to manage our decrease in staffing levels.

#### STREAMLINING EFFORTS

Mr. DURBIN. As part of the overall streamlining efforts at the Department, many administrative and financial management functions at both the headquarters and field levels will be consolidated with those of the Forest Service. Since the Forest Service receives its funding through another subcommittee, how will these costs be separated and budgeted for?

Mr. JOHNSON. At the present time we intend to continue budgeting and applying costs as we do now. The two agencies will use innovative management concepts such as lead agency and centers of excellence to perform administrative and financial management functions for both agencies, but each agency will be responsible for paying for its own staff carrying out a particular function.

#### WETLAND DELINEATIONS ON AGRICULTURAL LANDS

Mr. DURBIN. The Administration has acted on wetlands determinations and has made SCS the lead agency responsible for delineating wetlands on all agricultural lands. You are requesting an increase of \$15.6 million and 265 staff years to help defray the costs. What is the actual financial impact this will have on your agency's workload and budget?

Mr. JOHNSON. We have estimated that the additional cost will be approximately \$16 million annually. These costs are based on the number of additional on-site visits required as a result of Section 404 of the Clean Water Act permit requests and the additional training needed for our technicians to make consistent determinations. Numerous estimates of this workload have been made. The information from the Corps of Engineers indicates that SCS will need to make an additional 25,000 determinations annually to service Section 404 requests.

Mr. DURBIN. The notes state that a portion of those funds would cover the additional workload related to appeals. Why do you anticipate a greater number of appeals?

Mr. JOHNSON. The number of appeals of Food Security Act decisions is expected to increase in 1994 and 1995 for several reasons. First, SCS places a moratorium on the general completion of wetland determinations in May, 1991, in anticipation of a possible change in wetland criteria. The signing of the Memorandum of Agreement, MOA, in 1994 resolves the question about wetland criteria; therefore, SCS is now able to resume wetland determinations for the rest of the country. Each new wetland determination is appealable. Additionally, the MOA established the procedures to be used to certify wetland determinations as required by the 1990 Food, Agriculture, Conservation, and Trade Act, FACTA. When SCS notifies producers that a wetland is to be certified, that decision is also appealable. We expect that most of these remaining wetland determinations and certifications will be completed during fiscal years 1995 through 1997. Second, the MOA also gives SCS the responsibility of making wetland determinations on agricultural land for purposes of the Clean Water Act. This will increase the number of wetland determinations requested, and each is appealable. Finally, the 1990 FACTA allowed persons with Food Security Act violations to receive most of their benefits if the Agricultural Stabilization and Conservation Service determined that the producer acted in good faith without the intent to violate. However, the good faith sanction can only be used once in 10 years for a wetland violation and once in 5 years for a compliance violation. Producers who have already received one good faith sanction, and who violate again, will be more likely to have substantial amounts of benefits at risk, and will be more likely to appeal the decision.

Mr. DURBIN. Describe, for the record, the delineation and appeals process.

Mr. JOHNSON. We will provide that information for the record. [The information follows:]



### THE DELINEATION PROCESS

SCS makes wetland determinations when a Form AD-1026 is received from the Agricultural Stabilization and Conservation Service indicating that a determination is needed, and for persons who request determinations for purposes of the Clean Water Act. SCS makes determinations either off-site, using approved mapping conventions and inventories in the office, or on-site by visiting the wetland site and, if needed, a comparison site. Comparison sites may be used to make determinations on disturbed sites where evidence required for making a determination, including soils, vegetation, or hydrology, has been altered or destroyed. Using comparison site procedures, a natural or undisturbed site that has the same soils, landscape position, and general features as the disturbed site, is used to establish what the natural condition of the disturbed site would have been.

Wetland delineations are made by establishing that the three wetland criteria -- hydric soils, wetland hydrology, and a prevalence of hydrophytic vegetation -- are met for the site. SCS relies on tested, established standards for wetland delineations, including soil surveys, aerial photos, published lists of hydrophytes, computer models for determining hydrology, and indicators of wetland features that are peer-reviewed, tested, and accepted by the scientific community.

When SCS has determined the presence of a wetland, the land owner, operator, and all others associated with the tract are notified of the decision and given an opportunity to appeal the decision.

### THE APPEALS PROCESS

The FOOD SECURITY ACT administrative appeal procedure allows producers who feel they have been adversely affected by SCS decisions to request review of the following types of decisions:

- Highly erodible land determinations
- Disapproval of a conservation plan or system
- Determination that a producer is not actively applying a conservation plan or not using an approved conservation system
- Wetland determinations, including converted wetland determinations
- Determinations that a wetland conversion has minimal effect
- Approval of a plan for wetland restoration, mitigation, replacement, or non-agricultural use
- Eligibility of an area for Conservation Reserve Program or Wetland Reserve Program.

Four levels of appeal, representing the four layers of line officers, are provided: The district conservationist, the area conservationist, the state conservationist, and the Chief of SCS. At the first level of appeal, an administrative record is compiled which includes all documentation relied upon in making the decisions, correspondence to and from the appellant, and other pertinent records.

A site visit is always made at the district conservationist level, and may also be made at the area conservationist and/or state conservationist level. Appellants may request a hearing at the state conservationist's level. At each level of appeal, the appellant is allowed 15 days to appeal to the next higher level.

Appeals to the Chief of SCS are reviewed by technical staffs at the appropriate national technical center and National Headquarters. Decisions by the Chief are the final level of administrative appeal. The appellant is informed by letter of the decision on the appeal and the basis for the decision. If the decision indicates a violation of the FOOD SECURITY ACT provisions, SCS notifies the Agricultural Stabilization and Conservation Service (ASCS) of the decision. ASCS makes determinations as to the effect of the decision on eligibility for Department of Agriculture program benefits, producers affected by the decisions, eligibility for good faith exemption, and other administrative matters.

In the interest of reducing the number of appeals and improving communication with producers, SCS is now exploring the use of alternative dispute resolution at the lower levels of the appeal process.



## NUMBER OF WETLAND DETERMINATIONS

Mr. DURBIN. How many determinations will be needed?

Mr. JOHNSON. The SCS has completed determinations on over 2 million farms prior to January 1, 1994. It is estimated that 1 million more initial determinations are needed to complete the job on agriculture lands. However, that is not the end of our responsibility. The Food, Agricultural, Conservation, and Trade Act of 1990 and the Memorandum of Agreement with the Fish and Wildlife Service, the Environmental Protection Agency, and the Corps of Engineers requires that all wetland determinations completed prior to January 6, 1994 will need to be recertified. They will also need to be evaluated on a five-year cycle.

## COMPLIANCE ACTIVITIES ON HIGHLY ERODIBLE CROPLAND

Mr. DURBIN. The 1985 Farm Bill required all farmers to have an approved conservation plan on all highly erodible cropland by December 31, 1989, in order to continue their eligibility for program benefits. The law also requires that these measures be installed by December 31, 1994. We are coming up on this deadline quickly. What is the status of this directive? What percentage of acreage is in compliance to date?

Mr. JOHNSON. The status of this directive is that it is still in effect. SCS continues to work with producers to help modify plans where needed, and to help producers implement these plans on schedule to the extent possible. The Midwest floods of 1993 have delayed the installation of some practices, and some farmers will not be able to get all of their practices installed before January 1, 1995. However, SCS will use temporary one-year variances to the extent necessary to allow these flood-delayed farmers additional time to install their practices. At the end of fiscal year 1993, SCS documented that at least 70% of the acres with Food Security Act conservation compliance plans had all of the scheduled practices installed. However, in the statistically random sample of tracts on which status reviews were conducted in 1993, SCS found that less than 4 percent of the tracts visited were not on schedule to the extent that SCS determined that the farmer was not actively applying the approved conservation compliance plan. Recognizing that additional work will be needed in 1994 to complete the installation of all scheduled practices, we believe that all farmers who intend to be in compliance with their plans can accomplish what is needed. In some cases, a temporary substitute practice, such as a grass seeding or a cover crop, may be needed if it is not possible to install a structural practice on time.

Mr. DURBIN. This means that 30 percent of the acres covered under existing compliance need practices installed. I imagine that these are the most difficult installations. How will you meet this workload with only ten months remaining?

Mr. JOHNSON. Although the status of plans that have been installed reports that only 70 percent are complete, additional information provided by the status review findings indicate that farmers who intend to remain eligible for USDA benefits have significantly more than 70 percent, perhaps closer to 90 percent, of their practices installed. We recognize that some of the remaining prac-

tices to be installed are structural and there may be limited availability of contractors, cost-sharing, and technical assistance, but we believe that the farmers who intend to be eligible for USDA benefits will be able to do so.

Mr. DURBIN. Do you have the necessary resources to assist all farmers in meeting this deadline?

Mr. JOHNSON. SCS has never provided all the technical assistance to every farmers at every location needed to install their conservation compliance plans, and this year is not an exception. We were never intended to be the sole supplier of assistance. Contractors, Conservation District personnel, consultants, and the farmers, themselves are able to do much of the needed technical work, and so we believe that the remaining task is not insurmountable.

#### QUALITY CONTROL FOR COMPLIANCE ACTIVITIES

Mr. DURBIN. At last year's hearing, Mr. Bridge testified to some concerns the agency had with regards to quality control processes and overall consistency with compliance activities. These concerns had to do with the poor quality of some of the compliance plans that were developed to meet the deadline, the adequacy of documentation of findings during status reviews, and the quality and effectiveness of management controls. What has been done to address each of these concerns?

Mr. JOHNSON. SCS has made a major effort to review and improve the deficient conservation plans so that they are effective tools in helping farmers meet their conservation treatment requirements. To provide for improved consistency and analysis of status reviews, SCS developed a standard form to record status review findings. During 1993, SCS employees visited over 215,000 highly erodible cropland fields to measure erosion reduction and determine status. Conservation compliance plans were considered as being actively applied on 96 percent of these fields, and we found that the annual soil loss had been reduced by an average of 17.5 tons per acre. We believe that the Nation's farmers have made great strides in learning about and carrying out the conservation provisions of the Food Security Act of 1985.

With regard to quality and effectiveness of management controls, we have established a comprehensive system of state, regional, and national oversight in response to OIG audits and other concerns. Each State Conservationist is now required to develop and carry out a state quality control plan. The quality control plan assigns specific staff responsibility and identifies actions and schedules for the quality control activities, including reviews of field decisions and documentation. In addition, the National Technical Center staffs, under guidance from the Assistant Chiefs, conduct quality assurance reviews within every state. A national team has conducted in-depth reviews of four states and will review more this year.

Although we have made a great deal of progress, we still have some problems to address. For example, there is some concern that a predominant use of crop residue management may lead to inadequate soil savings, particularly in years with unfavorable climatic conditions. Others are concerned that too much residue will in-



crease plant diseases. We will address this issue based upon the best available science and make adjustments where necessary.

There is also some concern that Alternative Conservation Systems, ACS, are not achieving consistent and substantial erosion reductions, and that producers are retaining benefits even though significant reductions are not being achieved. Within the next two months, we will be receiving an OIG audit of ACS's. Our ACS needs to be consistent, based on sound economic and agronomic reasoning and provide erosion reduction.

I also recognize that our present appeals process is burdensome. In that regard, I have established a team to review that process and make recommendations for improvement.

It is important to do the best, credible, fair job. We are not here to put farmers out of business. But we should not reduce the erosion reduction targets, or look the other way. We are here to help farmers put conservation on the land.

#### FUNDING FOR CONSERVATION OPERATIONS AND CONSERVATION COMPLIANCE

Mr. DURBIN. Please update the table that appears on page 194 of last year's hearing record showing the amount appropriated for conservation operations and the amount spent on conservation compliance provisions to include fiscal year 1994.

Mr. JOHNSON. We will provide a table for the record that updates the information through fiscal year 1994.

[The information follows:]

#### CONSERVATION COMPLIANCE AND CONSERVATION OPERATIONS EXPENDITURES

[In thousands of dollars]

Year	Conservation operations	Conservation compliance
1985 .....	364,920 .....	.....
1986 .....	348,669 .....	57,532
1987 .....	399,671 .....	165,993
1988 .....	444,391 .....	183,219
1989 .....	465,435 .....	193,347
1990 .....	477,377 .....	198,347
1991 .....	509,509 .....	213,131
1992 .....	564,251 .....	238,960
1993 .....	576,740 .....	245,093
1994 .....	591,178 .....	283,160

#### EMERGENCY WETLANDS RESERVE PROGRAM

Mr. DURBIN. Part of the \$340.5 million that was just appropriated in the Emergency Supplemental will be used to expand the Emergency Wetlands Reserve Program in the nine Midwest States affected by the flooding of 1993. How many acres are currently enrolled in the program? How much will it be expanded?

Mr. JOHNSON. Through the end of February SCS has received applications for 43,680 acres requesting enrollment in the Emergency Wetlands Reserve Program. Of these applications, 25,400 acres are being reviewed for enrollment leaving 18,280 for potential enrollment at the present time. Using funding from the 1994 supplemental, we will hold another, more extended, signup this spring in

which we hope to enroll considerable new acreage into the program.

#### GEOGRAPHIC INFORMATION SYSTEM AND INFOSHARE

Mr. DURBIN. The requested increase of \$6.5 million to provide technical assistance for database development investments to implement geographic information system, GIS, technology and support InfoShare projects to improve field office operations leads me to a couple of questions. First, provide a brief description of what a geographic information system does.

Mr. JOHNSON. GIS is a computer-based technology that allows the user to input, store, manipulate, analyze, and display geographic data or information about places on the earth's surface. A GIS can be thought of as a database management system with each map representing a data layer of information. With GIS technology, SCS can not only consider what natural resources exist in a county or state, but also show where those resources exist on the landscape in relation to each other.

For example, a GIS can quickly screen areas for potential water quality problems by analyzing different layers of geographic information. It can quickly determine and graphically display which soils are highly erodible from a digital soil survey for a given area. This information, when combined with slope and stream data, can provide SCS and the land user with locations and acreages of land that will probably deliver sediment, pesticides, and other contaminants to streams and ground water.

Mr. DURBIN. How will this system relate to the Department's overall InfoShare proposal? Why are you requesting a separate appropriation, can't this be accomplished within the development of InfoShare?

Mr. JOHNSON. The InfoShare project will provide the hardware and general software for the GIS systems in USDA including SCS. We believe InfoShare will also provide USDA the resources to develop geographic databases needed to make effective use of GIS for all agencies. InfoShare plans for the next few years, however, are concentrated on the communication networks and computer platforms and software to make data sharing a reality in USDA. SCS has current GIS needs to support agency programs such as the National Cooperative Soil Survey, Conservation Technical Assistance, and other ongoing programs.

The \$6.5 million requested in the budget is for purchase of digital orthophotography which will be the base map for recording digitally georeferenced natural resource information in the future. The orthophotography will initially be used primarily for mapping and digitizing soil surveys which can be used by GIS. The orthophotography purchase at this time is necessary since it is the basis for all future GIS database development using geographically based data developed by or for SCS. We need to begin the procurement of the basic technology now to be ready to implement GIS when the core InfoShare systems are available in several years. Digital orthophotography procurement at this time will complement InfoShare since its use will promote data sharing between agencies and standardize data collection.



Mr. DURBIN. You state that most of the work involved in this proposal would be contracted to the private sector. Why would you contract this work out as opposed to doing it in-house?

Mr. JOHNSON. SCS currently does not have the capability to produce the quantity of orthophotography needed. There are private sector contractors that have demonstrated the capability to provide this product at competitive prices and it would not be efficient to gear up Federal employment and production facilities for a major project that would last only five or six years. For these reasons contracting for the development of digital orthophotos to the private sector is preferred.

#### USDA SUB-OFFICES ON RESERVATIONS

Mr. DURBIN. The FACT Act of 1990 directed USDA to establish and staff a sub-office on reservations for a minimum of one day per week, if assistance was requested. The explanatory notes state that many of the more than 310 reservations and four areas of trust land are taking steps to request assistance. How many reservations currently have an established sub-office? How much are you spending to operate these sub-offices? What would the total cost be to provide a sub-office on every reservation?

Mr. JOHNSON. SCS presently has 25 sub-offices on Indian Reservations. Fifteen of these offices are staffed with one or more employees full time. In accordance with USDA regulations, tribes furnish the office space. The cost of operating the 25 sub-offices is approximately \$1,875,000. In the immediate future, we estimate that another 40 reservations could request sub-offices. Added to the 25 current offices, the land area represented would make up 95 percent of the Indian agriculture land in continental U.S. The estimated total cost for the 65 offices would be \$3,500,000.

#### U.S. CLIMATE CHANGE ACTION PLAN

Mr. DURBIN. The U.S. Climate Change Action Plan lists a number of actions in all sectors of the economy that the U.S. will take in order to reduce national greenhouse gas emissions to 1990 levels by the year 2000. Please provide this list for the record.

Mr. JOHNSON. I will provide the listing for the record.

[The information follows:]

# Summary Table of Actions

Action #	Title	undiscounted 1991\$ (Millions)				GHG Reductions In 2000 (MMTCE)	Post-2000 Emission Reduction Potential
		Federal Obligation FY1994-2000 In \$millions	Private Capital Investment 1994-2000	Cumulative Value of Energy Savings: 1994 - 2000	Cumulative Value of Energy Savings: 2001 - 2010		
COMMERCIAL DEMAND							
Partnership Programs							
1	Coordinate DOE Rebuild America & EPA Energy Star Buildings	\$190	\$6,300	\$2,800	\$11,900	3.1	.
2	Expand EPA's "Green Lights" Program	\$98	\$3,300	\$1,900	\$8,100	2.5	
Development, Commercialization, and Training							
3	Establish State Revolving Fund for Public Buildings	\$55	\$2,500	\$1,000	\$4,400	1.1	..
4	Expand Cost-Shared Demonstration of Emerging Technologies	\$60					
5	Establish Energy Efficiency and Renewable Energy Information and Training Programs	\$42	\$8,400	\$2,900	\$12,300	3.8	.
Commercial Demand Combined Results		\$445	\$20,500	\$9,600	\$36,700	10.6	
RESIDENTIAL DEMAND							
Appliance Improvements							
6	Form "Golden Carrot" Market Pull Partnerships	\$193					
7	Enhance Residential Appliance Standards	\$0	\$19,500	\$9,400	\$40,700	11.8	..
Home Improvements							
8	Promote Home Energy Rating Systems and Energy Efficient Mortgages	\$12					
9	Expand "Cool Communities" Program in Cities and Federal Facilities	\$12	\$11,700	\$5,400	\$21,600	4.4	.
10	Upgrade Residential Building Standards	\$87					
11	Create Energy Efficiency Programs and Housing Technology Centers	\$93					
Residential Demand Combined Results		\$397	\$31,200	\$14,800	\$62,300	16.3	

For Post-2000 Emission Reduction Potential: (•) reflects static or moderately increasing outyear reductions relative to the projected year 2000 emissions reduction. (••) reflects a 50% or greater increase in projected annual emission reduction over the 2000 level, and (•••) reflects increases in projected reductions of more than 200%.

Sources: The greenhouse gas emissions estimates for 1990 are taken from "Emissions of Greenhouse Gases in the United States, 1985-1990" (EIA, 1993) and "Anthropogenic Methane Emissions in the United States, Estimates for 1990" (EPA, 1993). Nitrous Oxide emissions from agriculture were provided by the U.S. Dept. of Agriculture. Interpolations and projections are based on analyses conducted by DOE, EPA and the Dept. of Agriculture for the Climate Change Action Plan. Baseline estimates of emissions may change as internationally-recognized greenhouse gas accounting methodologies evolve.

Note: Combined GHG reductions might not equal the sum of the individual actions due to synergistic effects.



Action #	Title	Federal Obligation FY1994-2000 In \$millions	undiscounted 1991 \$ (Millions)			GHG Reductions In 2000 (MMTCE)	Post-2000 Emission Reduction Potential
			Private Capital Investment 1994-2000	Cumulative Energy Savings: 1994 - 2000	Cumulative Value of Energy Savings: 2001 - 2010		

**INDUSTRIAL DEMAND**

<b>Accelerated Efficiency</b>							
12	Create a "Motor Challenge" Program	\$30	\$4,000	\$5,300	\$17,000	8.8	.
13	Establish Industrial "Golden Carrot" Programs for Industrial Air Compressors, Pumps, Fans, and Drives	\$14					
14	Accelerate the Adoption of Energy-Efficient Process Technologies including the Creation of One-Stop Shops	\$71	\$600	\$1,300	\$7,800	2.9	
15	Expand and Enhance Energy Analysis and Diagnostic Centers	\$27	\$160	\$280	\$960	0.5	...
<b>Pollution Prevention</b>							
16	Accelerate Source Reduction, Pollution Prevention, and Recycling	\$86	\$90	\$5,400	\$31,100	4.2	..
17	Reduce Use of Fertilizers	\$19	n/a	\$1,900	\$9,000	2.7	.
18	Reduce Use of Pesticides	\$0					
<b>Industrial Demand Combined Results</b>			\$4,850	\$14,180	\$65,860	19.0	

**TRANSPORTATION DEMAND**

19	Reform Federal Tax Subsidy for Employer-Provided Parking	(\$2,223)	n/a	\$15,900	\$30,000	6.6	.
20	Adopt a Transportation System Efficiency Strategy	\$89	\$0				
21	Promote Greater Use of Telecommuting	\$2	\$2,200	\$2,700	\$1,200	1.5	..
22	Develop Fuel Economy Labels for Tires						
<b>Transportation Demand Combined Results</b>			(\$2,132)	\$2,200	\$18,600	8.1	

For Post-2000 Emission Reduction Potential: (") reflects static or moderately increasing outyear reductions relative to the projected year 2000 emissions reduction (") reflects a 50% or greater increase in projected annual emission reduction over the 2000 level, and (") reflects increases in projected reductions of more than 200%.

Note: Combined GHG reductions might not equal the sum of the individual actions due to synergistic effects.

## Summary Table of Actions

Action #	Title	undiscounted 1991\$ (Millions)				GHG Reductions in 2000 (MMTCE)	Post-2000 Emission Reduction Potential
		Federal Obligation FY1994-2000 Investment in \$millions	Private Capital Investment 1994-2000	Cumulative Value of Energy Savings: 1994 - 2000	Cumulative Value of Energy Savings: 2001 - 2010		
ENERGY SUPPLY							
Enhanced Natural Gas Utilization							
23	Increase Natural Gas Share of Energy Use through Federal Regulatory Reform	\$0	\$0	\$1,900	(\$260)	2.2	
24	Promote Seasonal Gas Use for the Control of Nitrogen Oxides	\$0	(\$930)	(\$460)	(\$940)	2.8	*
25	Commercialize High-Efficiency Gas Technologies	\$62	\$140	\$70	\$630	0.6	***
Enhanced Renewable Commercialization							
26	Furn Renewable Energy Market Mobilization Collaborative and Technology Demonstrations	\$432	\$50	\$280	\$1,100	0.8	***
27	Promote Integrated Resource Planning	\$39	n/a	\$1,500	\$4,300	1.4	
28	Improve Performance of Existing Zero Emissions Tech. Retain and Improve Hydroelectric Generation at Existing Dams	Leasing (\$480)	\$1,500	\$550	\$2,500	2.0	
Improved Energy Efficiency							
29	Accelerate the Development of Efficiency Standards for Electric Transformers	\$0	\$480	\$280	\$600	0.8	*
30	Launch EPA's "Energy Star Transformers"	\$4					
31	Reduce Electric Generation Losses Through Transmission Pricing Reform	\$0	(\$5)	\$270	\$1,040	0.8	
	Energy Supply Combined Results	\$67	\$1,235	\$4,390	\$8,970	10.8	
METHANE REDUCTION AND RECOVERY ACTIONS							
32	Expand "Natural Gas Star"	\$6	\$60	\$100	\$110	3.0	*
33	Increase Stringency of Landfill Rules	\$0	n/a	n/a	n/a	4.2	*
34	Expand Landfill Outreach Program	\$6	\$180	\$140	\$270	1.1	*
35	Launch Coalbed Methane Outreach Program	\$8	\$80	\$90	\$160	2.2	**
36	Expand RD&D for Methane Recovery from Coal Mining	\$17	\$200	\$120	\$810	1.5	***
37	Expand RD&D for Methane Recovery from Landfills	\$9	\$200	\$80	\$420	1.0	***
38	Expand AgStar Partnership Program with Livestock Producers	\$19	\$140	\$120	\$180	1.5	*
39	Improve Ruminant Productivity and Product Marketing	\$28	n/a	n/a	n/a	1.8	*
	Methane Reduction and Recovery Combined Results	\$93	\$860	\$650	\$1,950	16.3	

For Post-2000 Emission Reduction Potential, (\*) reflects static or moderately increasing outyear reductions relative to the projected year 2000 emissions reduction.

(\*\*) reflects a 50% or greater increase in projected annual emission rate action over the 2000 level, and (\*\*\*) reflects increases in projected reductions of more than 200%.

Note: Combined GHG reductions might not equal the sum of the individual actions due to synergistic effects.



# Summary Table of Actions

Action #	Title	Federal Obligation FY 1994-2000 In \$millions	undiscounted 1991\$ (Millions)		Post-2000 Emission Reduction Potential
			Private Capital Investment 1994-2000	Cumulative Value of Energy Savings: 1994 - 2000 (2001 - 2010)	

## HFC, PFC and NITROUS OXIDE REDUCTION ACTIONS

40	Narrow Use of High GWP Chemicals Using the Clean Air Act and Production Stewardship to Reduce Emissions	\$9	n/a	n/a	5.0	.
41	Create Partnerships with Manufacturers of HFC-22 to Eliminate HCFC-23 Emissions	\$13	n/a	n/a	5.0	...
42	Launch Partnership with Aluminum Producers to Reduce Emissions from Manufacturing Processes	\$3	n/a	n/a	1.8	.
17	Improve Efficiency of Fertilizer Nitrogen Use		See Action # 17		4.5	.
	<b>HFC, PFC and Nitrous Oxide Combined Results</b>	<b>\$26</b>	<b>n/a</b>	<b>n/a</b>	<b>16.3</b>	

## FORESTRY ACTIONS

43	Reduce the Depletion of Nonindustrial Private Forests	\$4	\$0	n/a	n/a	4.0
44	Accelerate Tree Planting in Nonindustrial Private Forests	\$71	\$40	n/a	n/a	0.5
16	Accelerate Source Reduction, Pollution Prevention, and Recycling		see Action # 16		5.0	.
9	Expand "Cool Communities" Program in Cities and Federal Facilities		see Action # 9		0.5	.
	<b>Forestry Combined Results</b>	<b>\$75</b>	<b>\$40</b>	<b>n/a</b>	<b>n/a</b>	<b>10.0</b>

For Post-2000 Emission Reduction Potential: (") reflects static or moderately increasing outyear reductions relative to the projected year 2000 emissions reduction (") reflects a 50% or greater increase in projected annual emission reduction over the 2000 level, and (""") reflects increases in projected reductions of more than 200%.

<b>Total for Energy Sectors</b>	<b>(\$987)</b>	<b>\$59,985</b>	<b>\$60,570</b>	<b>\$205,030</b>	<b>66.0</b>
<b>Total for Non-Energy Sectors</b>	<b>\$194</b>	<b>\$900</b>	<b>\$650</b>	<b>\$1,950</b>	<b>42.6</b>
<b>GRAND TOTAL</b>	<b>(\$793)</b>	<b>\$60,885</b>	<b>\$61,220</b>	<b>\$206,980</b>	<b>108.6</b>

gap=106.2

Note: Combined GHG reductions might not equal the sum of the individual actions due to synergistic effects.

## METHANE RECOVERY AND REDUCED EMISSIONS

Mr. DURBIN. The budget request includes an increase of \$3.0 million to support three initiatives. One initiative would assist livestock producers in developing methane capture systems to recover and use methane emissions. Would you tell the Committee how you propose to do this and give us some examples on the uses of methane that are recovered.

Mr. JOHNSON. The initiative calls for expanding the AgSTAR program with livestock producers. The AgSTAR program is a voluntary agricultural program which encourages widespread use of methane recovery technologies to increase livestock production profits. Methane recovery systems collect the methane produced by liquid manure management systems so that the methane can be used as a fuel for on-farm energy production. SCS has been involved in assisting producers with animal waste management systems for years, and AgSTAR is part of the technology we provide to producers. The SCS is a partner with the Environmental Protection Agency and the Department of Energy in this program.

Mr. DURBIN. You have another initiative that will focus on improving grazing lands management as a possible way to reduce methane emissions. Please tell us how this will work.

Mr. JOHNSON. SCS is involved in the Climate Change Action to improve ruminant productivity and product marketing which has as one of its benefits the reduction of methane emissions. The SCS work will center around improving grazing lands to increase efficiency of production of red meat on individual animals which reduces the number of animal units per acre for profitable operations and also reduces methane emissions. As part of this program, SCS will implement many of the recommendations which are contained in the report, Grazing Lands Conservation Initiative for Private Grazing Lands.

Mr. DURBIN. The Agricultural Research Service, ARS, is also doing some work in this area. Are you coordinating your efforts with ARS?

Mr. JOHNSON. Yes, SCS efforts are being closely coordinated with the work of ARS on this Climate Change Action item. ARS has contributed significantly to our proposed approach of improving grazing lands for increasing livestock production efficiency.

## STAFFING FOR THE SOIL SURVEY PROGRAM

Mr. DURBIN. For soil surveys and investigations, you propose an employment reduction of three percent below the fiscal year 1993 base. What is the fiscal year 1993 base level and how many staff years does this translate into for fiscal year 1995?

Mr. JOHNSON. The fiscal year 1993 base staff year level is 1,163 full-time equivalents funded by direct appropriations and 119 full-time equivalents funded by reimbursable agreements. The 1995 budget proposes a three percent reduction, or 35 full-time equivalents, in staff years funded by direct appropriation to reflect the Secretary of Agriculture's streamlining efforts and the President's Executive Order mandating a government-wide reduction in Federal employment. This reduction combined with the other proposals



in the 1995 budget would provide an overall employment level funded by direct appropriation of 1,118 staff years.

#### GEOGRAPHIC INFORMATION SYSTEM SOILS DATABASE

Mr. DURBIN. You are requesting additional funding of \$2.5 million for soil surveys to support geographic information systems. How does this request relate to the \$6.5 million we talked about earlier?

Mr. JOHNSON. The President's budget proposes a total increase of \$9.0 million to create a computerized geographic information system, or GIS, database that is needed to achieve the efficiencies, savings, and improved farmer services proposed in the USDA InfoShare initiative. A \$6.5 million increase is requested under the conservation technical assistance program to provide highly accurate aerial digital orthorectified base maps which become the primary reference point for all digitized geographically referenced information stored in the GIS. Soil surveys are the most important basic data set of the GIS. They must be digitized before computer assisted conservation or planning can take place. New soil surveys are already being digitized for this purpose, but they cover only about 75 counties of the nation. The remaining soil survey information must be converted into digital form to provide full GIS benefits. A \$2.5 million increase is requested for the soil surveys and investigations program to start digitizing recently completed soil surveys for the GIS. Data compilation and quality control would be carried out by current soil conservation staff, and the digitization would be carried out on a contractual basis with others. Recently completed soil surveys would be digitized first, and older surveys would be updated within current funding before being digitized.

#### COMPLETED SOIL SURVEYS

Mr. DURBIN. How many soil surveys were completed and published in fiscal years 1992 and 1993 and how many do you expect to publish in fiscal year 1994?

Mr. JOHNSON. We were able to complete and publish 48 soil surveys in fiscal year 1992 and another 55 in 1993. In fiscal year 1994, we anticipate completing and publishing 53 soil surveys.

#### STATUS OF THE THIRD RESOURCE CONSERVATION ACT APPRAISAL

Mr. DURBIN. At this time last year, a plan of work for the Third Resources Conservation Act Appraisal had been completed and was undergoing technical analyses. What is the status of this plan?

Mr. JOHNSON. The Third Resources Conservation Act Appraisal, RCA III, Plan of Work has been implemented. Over 50 major projects have been initiated as described in the September 1993 RCA Fact Sheet number 4 and Status Report which we will submit for the record. The Soil Conservation Service has the leadership in USDA to coordinate the appraisal and the National Conservation Program. We are also working with 19 other Federal agencies. U.S. Geological Survey and the Environmental Protection Agency have been extremely helpful in providing us data and support as have several USDA agencies.

[The information follows:]



## Resources Conservation Act (RCA)

*Fact Sheet No. 4 - September 1993*

Soil Conservation Service

Strategic Planning & Policy Analysis Division

### **Major Activities and Future Products of the Third RCA Appraisal By Resource Concern Group**

#### **WATER QUALITY**

- Development of a national risk assessment data base for agricultural chemicals based upon pesticide use and vulnerability by area of use.
- Development of water quality vulnerability indices for leaching and runoff potential of agrichemicals.
- Delineation of sensitivity ratings of hydrologic units and MLRAs by land use and geologic information.
- Assessment of instream flows and subsurface and surface interfaces for water quantity and for surface and ground water quality (nitrogen, phosphorus, sediment, erosion and pesticides).
- Identification of cropland sites that are the most sensitive to environmental degradation from excessive application of nutrients.
- Identification of county level organic sources by nutrient.
- Documentation of sediment loadings, damages, and their relationship to agricultural activities by hydrologic unit.
- Evaluation of the potential for reducing water quality degradation through farmer adoption of new and alternative farm management practices.
- Assess the status, scope, and condition of salinity problems in the U.S. saline seeps, and coastal salt water intrusion.



- Evaluate the reasons for the decrease in irrigation water management in the Wellton Mohawk when technical assistance was terminated.

## **WATER QUANTITY**

- Analysis of streamflow and sediment monitoring data along with reservoir capacity to predict future storage requirements.
- Develop historical data and future projections of water use and consumptive use by hydrologic area for irrigation, municipal, industrial, rural domestic, livestock, and thermoelectric cooling.
- Assess trends in tradeoffs made from irrigation water use to other non-agricultural water uses.
- Estimate the available water supply for an 'average' year and for drought conditions.
- Determine expected federal reserved water that will be needed to meet treaty obligation, both international and with Indian Nations.
- Determine the quantity of water that will be needed to satisfy the 'Rare and Endangered Species Act' and 'Wild and Scenic Rivers Act'.
- Evaluate off-site water quality (sediment and pollutants) related to water supply and water demand.
- Determine historical and estimate future upstream flood damages.
- Modify the watershed planning process so the use of flood plain management concepts can be used to reduce agriculture and rural community flood losses in lieu of flood control strictures.

## **LAND QUALITY**

- Identification of the components of shallow water table management and its significance for erosion.
- Identification of the impact and effect of irrigation-induced and drainage management on erosion rates and total erosion.

- Estimation of the effect of agriculture and conservation practices on biological diversity.
- Estimation of the relationships between endangered and threatened species, biological diversity, and agricultural activities.
- Developing a USDA coordinated runoff curve number system by land use/cover classes to estimate soil loss.

## LAND QUANTITY

- Identification of agriculture's role in the loss and restoration of wetlands compared to urban, suburban, and industrial activities.
- Identification of the hydrologic effects of rangeland management (brush control) on water yield.
- Identification of the presence of noxious weeds on rangeland.
- Show how tax incentives affect the management and production of timber on privately owned woodlands.
- Development of methodology to analyze sustainability of soils and farm level economic viability.
- Estimation of the impact on land and water of biomass production for energy and industrial feedstocks.
- Identification of the trends in the conversion of agricultural land to nonagricultural uses by region.
- Identification of programs and policies for farmland protection.

## AIR QUALITY AND CONDITION

- Assessment of the effects of agricultural activities on public health, safety, and welfare.



- Assessment of the impact of conservation practices on air quality.
- Determination of the effect of alternative agriculture practices on the storage of CO<sub>2</sub> in organic matter.
- Assessment of the impact of climate change on natural resource management.

## SOCIO-ECONOMIC ISSUES

- Identification of those community sociological variables which determine the adoption of water quality practices.
- Analysis of the social structure of agriculture and determine how it affects participation in conservation programs.
- Identification of rural cultural/historical resources and their effect on the rural sector.
- Inventory of the condition of cultural resources on privately owned lands.
- Assessment of alternatives for USDA to meet the needs of the socially disadvantaged farmer in rural development activities.
- Identification of alternative ways to meet the technical assistance requirements for natural resources conservation activities for the USDA and state/local natural resource agencies.
- Identification of recreation activities on privately owned lands.
- Assessment of the impact of conservation programs on twelve multi-county, rural communities.
- Determination of the contribution of Federal, state, local, and private funds for the conservation effort.
- Establishment of a data base and summary of Federal, state, and local conservation legislation.
- Assessment of the effectiveness of conservation legislation.

## INTEGRATING ACTIVITIES

- Estimation of trends in food consumption patterns (i.e. tastes and preferences), and in technological growth rates for livestock production and efficiency, changes in crop yields, conservation tillage practices, industrial feedstocks, etc.
- Establishment of automated natural resource data bases for use in GIS information/analysis systems and interrelational data base management systems with EPA, USGS, and others.
- Development of a new generation of analytical methodology - HUMUS - to assess the effects of climate, topography, geology, soils, land use, cropping systems, crop nutrients, etc. on a hydrologic unit basis.
- Development of an agro-environmental analytical system to examine the agricultural, socio-economic, and environmental tradeoffs of agricultural production, environmental, and world trade policies.
- Development, for the first time, of a consistent national set of livestock and crop production budgets from a physical and biological perspective rather than an economic perspective, which will allow an analysis of alternative pesticides, IPM, nutrient applications/timing, etc. for natural resource and agro-environmental policy and program analysis.
- Applying sustainable resource management, for the first time, in the appraisal. This key conceptual goal of management of the nation's natural resources will be the umbrella for the Third RCA Appraisal Report. All of the alternative conservation resource management strategies and future scenarios analyzed will be presented in this perspective. The National Conservation Program Update: 1998-2007 will also present policies and actions necessary to sustain resources into the future. We are working closely with the Forest Service, Bureau of Land Management, Environmental Protection Agency, and interest groups on this analysis approach for the RCA and RPA (Resources Planning Act).

*Questions? Contact Jim Maetzold, RCA Manager, RCA Manager, Soil Conservation Service, Strategic Planning and Policy Analysis Division (202) 720-0132.*







## Resources Conservation Act (RCA)

*Status Report - September 1993*

Soil Conservation Service

Strategic Planning & Policy Analysis Division

### Third RCA Appraisal and National Conservation Program

This summary sheet and the attached information are provided to you as an overview of current activities on the Third RCA Appraisal.

#### MANAGEMENT AND LIAISON

A management and liaison team has been established that includes four Resource Concern Groups (Water, Air, Land and Socioeconomic), 25 Resource Topic Areas, and 19 cooperating agencies. Details are given on the attached Fact Sheet #2.

#### PLAN OF WORK AND SCHEDULE

The analysis and research plan for Plan of Work implementation is shown in Fact Sheet #3. Major activities underway (by Resource Concern Group) are listed on Fact Sheet #4. The schedule for the Appraisal and the National Conservation Program is also attached.

#### INTERIM APPRAISAL REPORT

The Interim Appraisal Report on the status, condition and trends of 25 Resource Topic Areas will be completed by April 30, 1994. Draft copies of the report will be distributed as soon as they are available. This report will be updated with 1992 NRI data by July 31, 1994.

#### PUBLIC PARTICIPATION

A Public Participation Plan is scheduled for completion by December, 1993. At the present time, the plan includes public meetings, an opinion survey, training modules for states, and briefing materials. Two external review committees for policy and technical aspects have been established. A public meeting will be held on November 16, 1994 in Washington. Regional and/or state public meetings are planned to begin in the summer of 1994.

**INFORMATION**

Several methods of disseminating information about the Third RCA Appraisal are being developed. The attached Fact Sheets will be part of a briefing package that should be completed soon. It will be distributed to all State Conservationists, National Technical Centers, as well as National Headquarters staff. A newsletter, "RCA NOTES" will be distributed on a bimonthly basis. A special series of RCA publications and working papers will be launched before December 31, 1993.





# COST AND TIMING OF THE THIRD RESOURCE CONSERVATION ACT APPRAISAL

Mr. DURBIN. It was estimated that the cost of its implementation would be about \$1.2 million annually including staff time. Is this still an accurate figure?

Mr. JOHNSON. We used about \$1.2 million of our national headquarters fiscal year 1993 budget to work on the RCA III Appraisal. We plan to use \$3.1 million in fiscal year 1994 and \$2.8 million in fiscal year 1995.

Mr. DURBIN. Based on this appraisal, a National Conservation Program would be developed by December 1997. Is this still an accurate date?

Mr. JOHNSON. Yes, the Soil Conservation Service will provide the leadership for USDA to obtain public input into the development and formulation of the National Conservation Program for fiscal years 1998 through 2007.

## EMPLOYMENT REDUCTIONS FOR CONSERVATION OPERATIONS ACTIVITIES

Mr. DURBIN. For snow survey and water forecasting activities, the budget request proposes to reduce employment from the fiscal year 1993 base by 2.6 percent. What is the fiscal year 1993 base level and how many staff years does this translate into?

Mr. JOHNSON. The base level for all employment reductions is the number of staff years funded by direct appropriations in fiscal year 1993. The fiscal year 1993 base level for snow survey and water forecasting activities is 78 staff years. The reduction from fiscal year 1994 to fiscal year 1995 would be 2 staff years.

Mr. DURBIN. Provide this same information for the plant materials centers activities which propose a 2.9 percent reduction.

Mr. JOHNSON. The fiscal year 1993 base level for plant materials centers activities is 140 staff years. The reduction from fiscal year 1994 to fiscal year 1995 would be 4 staff years.

Mr. DURBIN. Why is the percentage reduction different for all these accounts?

Mr. JOHNSON. In response to the Secretary's Departmental Streamlining plan and the President's Executive Order mandating a reduction of Federal positions by the end of fiscal year 1998, federal agencies' staff year estimates for 1995 were reduced by 3 percent of their anticipated fiscal year 1993 levels. The Soil Conservation Service was reduced by 730 staff years for a savings of \$43.6 million. This reduction was further distributed to each program activity based on the estimated 1993 staffing levels for these programs. Individual program reductions were not redistributed in the President's 1995 budget to reflect actual fiscal year 1993 staffing levels. Consequently, the percentage reduction for each program activity shown in the 1995 budget will not necessarily be consistent for each program activity.

## OPERATION OF PLANT MATERIALS CENTERS

Mr. DURBIN. Please update the table that appears on page 218 of last year's hearing record showing the plant materials centers

annual operating costs to reflect fiscal years 1993 and 1994 actuals and fiscal year 1995 estimates.

Mr. JOHNSON. We will update that table for the record.  
[The information follows:]

#### PLANT MATERIALS CENTER ANNUAL OPERATING COSTS <sup>1</sup>

[In thousands of dollars]

PMC location	1993 actual	1994 estimate	1995 estimate
Tucson, Arizona .....	213	219	250
Booneville, Arkansas .....	198	209	250
Lockeford, California .....	229	220	220
Brooksville, Florida .....	202	218	235
Americus, Georgia .....	228	229	250
Molokai, Hawaii .....	195	228	230
Aberdeen, Idaho .....	239	256	260
Manhattan, Kansas .....	228	235	275
Golden Meadow, Louisiana .....	215	217	245
Beltsville, Maryland .....	219	219	240
East Lansing, Michigan .....	222	234	240
Coffeeville, Mississippi .....	256	271	280
Elsberry, Missouri .....	208	224	245
Bridger, Montana .....	244	255	270
Cape May, New Jersey .....	221	224	265
Big Flats, New York .....	219	226	266
Corvallis, Oregon .....	256	278	275
Kingsville, Texas .....	160	167	195
Knox City, Texas .....	206	215	264
Nacogdoches, Texas .....	166	172	200
Pullman, Washington .....	257	260	260
Beckley, West Virginia <sup>2</sup> .....	193	165	245
Operated by cooperating agencies with SCS assistance:			
Palmer, Alaska, .....			
Meeker, Colorado .....	93	94	94
Los Lunas, New Mexico .....	300	254	250
Bismarck, North Dakota .....	216	214	255

<sup>1</sup> Excludes funding for the Plant Materials Center modernization initiative, non-recurring equipment purchases, and centralized services provided at the state and national level in support of this program.

<sup>2</sup> Beckley, West Virginia Plant Materials Center, formerly located in Quicksand, Kentucky, was provided an additional \$500,000 in fiscal year 1994 for the move and expansion activities.

#### STATUS OF PLANT MATERIALS CENTERS RENOVATION

Mr. DURBIN. You are now in the fourth year of a five-year plan to renovate facilities and equipment at these centers. What is the status of this initiative? Are you still on schedule?

Mr. JOHNSON. The five-year plan to renovate plant materials center facilities is progressing at investment of about \$2.4 million annually. We have prioritized the renovation of facilities and equipment to be implemented each year, and the upgrade has been fruitful to date. The greenhouses, seed cleaning facilities, equipment, and office space that have been repaired, replaced and/or upgraded have significantly increased the technical capabilities of the program. However, the renovation is not keeping pace with the time table in the original plan for a couple of reasons. The original renovation plan was prepared in 1988 using current costs, and it included only the equipment and facilities that had reached the end of their useful and safe life. Since then, the plan has not been revised to reflect the impacts of inflation and other increased costs for equipment and facilities that were part of the initial renovation plan, nor has the plan been revised to include the cost of the addi-



tional equipment and facilities that have reached the end of their useful and safe lives since the plan was prepared. We have been developing a long term strategy to protect the federal investment in the plant materials centers and maintain technical capability within the annual appropriation. We want to adequately address the issues that will allow us to avoid requesting additional funds in the future for another renovation initiative. Our first priority is to complete the backlog of buildings and equipment described in the current renovation initiative. Next, we will replace and/or upgrade the additional backlog of useless and/or unsafe buildings and equipment that has developed since the initiative was planned. Finally, we will provide for future maintenance, replacement and upgrades of equipment and facilities on a regular schedule that will keep the centers efficient, effective and safe. We will update the table in last year's hearing record showing funding for the renovation for fiscal years 1993 through 1995.

[The information follows:]

PLANT MATERIALS CENTER USE OF FACILITY AND EQUIPMENT RENOVATION FUNDS <sup>1</sup>

[In thousands of dollars]

PMC location	1993 actual	1994 estimate	1995 estimate
Tucson, Arizona .....	18	406	27
Booneville, Arkansas .....	25	3	73
Lockeford, California .....	21	44	39
Brooksville, Florida .....	69	50	181
Americus, Georgia .....	32	61	144
Molokai, Hawaii .....	82	94	350
Aberdeen, Idaho .....	48	52	48
Manhattan, Kansas .....	108	90	125
Quicksand, Kentucky <sup>2</sup> .....	10		
Golden Meadow, Louisiana .....	125	45	33
Beltsville, Maryland .....	68	23	109
East Lansing, Michigan .....	24	102	7
Coffeeville, Mississippi .....	110	120	105
Elsberry, Missouri .....	83	17	128
Bridger, Montana .....	71	83	116
Cape May, New Jersey .....	15	38	169
Big Flats, New York .....	95	30	70
Corvallis, Oregon .....	230	89	229
Kingsville, Texas .....	128	120	41
Knox City, Texas .....	39	118	23
Nacogdoches, Texas .....	123	34	27
Pullman, Washington .....	31		14
Beckley, West Virginia <sup>2</sup> .....		30	147
Operated by cooperating agencies with SCS assistance:			
Palmer, Alaska .....			
Meeker, Colorado .....	21	82	67
Los Lunas, New Mexico .....	91	45	82
Bismarck, North Dakota .....	106	105	26

<sup>1</sup> Excludes funding for the Plant Materials Center operating costs, and centralized services provided at the state and national level in support of this program.

<sup>2</sup> The Quicksand, Kentucky plant materials center was moved to Beckley, West Virginia in 1994.

PLANT MATERIAL RELEASES

Mr. DURBIN. Did you release any new plants in fiscal year 1993? If so, please provide a brief description of each.

Mr. JOHNSON. During 1993 there were 18 new plants placed on the commercial market. This was an exceptionally productive year. The uses of the released plants will range from coastal protection

along the Atlantic coast to restoring or creating wetlands in the Southeast to riparian revegetation in the Pacific Northwest. A listing of the new releases and a short description of their attributes and uses will be provided for the record.

[The information follows:]



## FY 1993 NEW PLANT RELEASES

'Homestead' Arnold hawthorn (*Crataegus mollis* Scheele) was released by the Bismarck, North Dakota PMC. Attributes and uses include: Native, seed propagated, attractive form; 15-20 feet tall; for windbreaks, wildlife habitat, and urban corridors; vigorous, dense growth; from seed collected at the Agriculture Canada Research Station, Morden, Manitoba, Canada; reintroduced into the U.S. from seed originally collected in northern U.S.

'Quickstand' Bermuda grass (*Cynodon dactylon* (L.) Pers.) was released by the Quicksand, Kentucky PMC. Attributes and uses include: Warm season, rhizomatous grass; quick rate of spread, winter hardy in plant hardiness zone 6a; for turf, and stabilization uses.

'Rush' intermediate wheatgrass (*Elytrigia intermedia* (Host) Nevski) was released by the Idaho PMC. Attributes and uses include: Cool season grass for early season forage and range restoration; selected for superior seed emergence and seedling vigor; high production on sites with more than 12" of precipitation, and good drought tolerance.

'Sumter Orange' daylily (*Hemerocallis fulva* (L.) L.) was released by the Georgia PMC. Attributes and uses include: Stolonerous perennial; composite of two accessions selected for superior growth, vigor, rate of spread, flower production, attractiveness, and season of bloom for stabilizing roadbanks and landscape beautification; collected from introductions naturalized in DeSoto County, Florida and Sumter County, Georgia.

'Wildwood' bayberry (*Myrica pensylvanica* Loisel.) was released by the New Jersey PMC. Attributes and uses include: Native, perennial shrub; selected for seedling vigor, survival rate, foliage abundance, insect and disease resistance, leaf retention, cold tolerance, and growth rate; recommended for back dune stabilization, windbreaks, field borders, wildlife, and vegetative barrier in Plant Hardiness Zones 5a-8b.

'ND-WWG931' western wheatgrass (*Pascopyrum smithii* (Rydb.) A. Love) was released by ARS and the North Dakota PMC. Attributes and uses include: Native grass developed for breeding and experimental purposes; selected for plant vigor, rhizome spread, leaf density, and seed yield; composite.

'ND-WWG932' western wheatgrass (*Pascopyrum smithii* (Rydb.) A. Love) was released by ARS and the North Dakota PMC. Attributes and uses include: Native grass developed for breeding and experimental purposes; selected for plant vigor, rhizome spread, leaf density, and seed yield; composite.

'Doncorae' Brunswickgrass (*Paspalum nicorae* Parodi) was released by the Georgia PMC. Attributes and uses include: Introduced, warm season, rhizomatous, perennial grass; produces dense sod; for grass waterways, filter and buffer strips, forestland critical area stabilization, and kaolin mine spoil reclamation; low fertilizer maintenance requirements.

'Ocean View' beach plum (*Prunus maritima* Marsh.) was released by the New Jersey PMC. Attributes and uses include: Salt tolerant shrub; 2.1 to 5.5 meters high, depending upon environment; selected for exceptional survival, seedling vigor, foliage abundance, disease and insect resistance, leaf retention, fruit production, and cold tolerance; for back dune stabilization, landscaping, and wildlife.

'Sandy' rugosa rose (*Rosa rugosa* Thunb.) was released by the New Jersey PMC. Attributes and uses include: 1.2 to 1.5 meter deciduous shrub selected for seedling vigor, survival, growth rate foliage abundance, insect and disease resistance and fruit production; tolerant to salt spray and drought conditions; for dune stabilization and landscape plantings.

'Curlew' Drummond willow (*Salix drummondiana* Barratt ex Hook.) was released by the Washington PMC. Attributes and uses include: Native, deciduous, low, rapid growing shrub; for streambank stabilization, riparian site restoration, landscaping, wildlife habitat, and shelterbelts; propagated by hardwood cuttings.

'Silvar' coyote willow (*Salix exigua* Nutt.) was released by the Washington PMC. Attributes and uses include: Native, deciduous shrub; thicket forming; suckering; rapid growing; 22 feet high; propagated by hardwood cuttings taken in late winter; also establishes naturally by seed; for streambank stabilization, riparian site restoration, bioengineering projects, wildlife habitat, and shelterbelts, cold hardiness zones: 5a-b, 6a-b, 7a.

'Palouse' Lemmon's willow (*Salix lemmonii* Bebb.) was released by the Washington PMC. Attributes and uses include: Native, vegetatively propagated, low growing, deciduous shrub; for riparian zone conservation plantings, erosion control, water quality, and wildlife habitat enhancement; selected for stem and foliage abundance, excellent vigor and growth, plus disease and peat resistance.

'Rivar' Mackenzie willow (*Salix prolixa* Anderss.) was released by the Washington PMC. Attributes and uses include: Native, deciduous shrub; rapid growth; 12 feet high and 15 feet wide; propagated by hardwood cuttings taken in late winter; for streambank stabilization, riparian site restoration, landscaping, wildlife habitat, and shelterbelts.

'Restorer' giant bulrush (*Scirpus californicus* (C.A. Mey.) Steud.) was released by the Georgia PMC. Attributes and uses include: Native, cold hardy, rhizomatous, emergent perennial; for use in constructed wetlands and to treat nonpoint source pollution; also for use in wetland restoration and creation; high ammonia tolerance and consistent survival after transplanting at wetland sites; coarse vegetation that remains green into the winter in the South; vegetatively propagated.

'Affinity' northern white cedar (*Thuja occidentalis* L.) was released by the Michigan PMC. Attributes and uses include: Native species for use in field and farmstead windbreaks and as screen or border planting in urban situations; important source of winter browse, fast growing, compact tree with good vigor; growing to 25 meters on wet or well-drained sites.

'Americus' hairy vetch (*Vicia vilosa* Roth) was released by the Georgia PMC. Attributes and uses include: Introduced, cool-season legume, late-maturing cultivar superior to commercial hairy vetch in dry matter production and nitrogen accumulation; for winter cover crop in conservation tillage systems.

'Wetlander' giant cutgrass (*Zizaniopsis miliacea* (Michx.) Doell & Aschers.) was released by the Georgia PMC. Attributes and uses include: Native, rhizomatous, perennial, warm season, emergent grass for use in constructed wetlands to treat nonpoint source pollution and wetland restoration; coarse; can tolerate high ammonia level associated with animal wastes; propagated vegetatively; plant stems root at the nodes in summer as they touch the wetland surface.



## SNOW SURVEYS AND WATER FORECASTING UPGRADE INITIATIVE

Mr. DURBIN. SCS conducts snow surveys and develops water supply forecasts using an automated system called SNOTEL. You are in the process of upgrading this system and expect it to be completed during fiscal year 1994. What is the status of this upgrade?

Mr. JOHNSON. The amended SNOTEL upgrade will essentially be completed as planned this year. Starting in fiscal year 1995, we will continue to invest about \$1,000,000 annually to maintain the sophisticated electronic SNOTEL network data collection equipment and to support the hardware and software required to operate the program's National Water Resource Database. This level of expenditure will be necessary to continue to provide operational effectiveness, employee safety, and protection of the Federal investment in the SNOTEL network system.

## CONSERVATION PROGRAM PRIORITIES

Mr. DURBIN. Tell us from a purely technical standpoint, if you could only fund one conservation program, other than technical assistance, which one would you choose?

Mr. JOHNSON. It is difficult to rank USDA conservation programs in order of importance because each program is unique and contributes to solving different environmental and conservation problems that range from wetland conservation, fish and wildlife enhancement, stream corridor management to erosion prevention, etc. USDA needs a variety of tools that include technical assistance, soil investigations and interpretations, easements, and financial assistance to address the scope of environmental and conservation problems.

However, if we were to rank USDA conservation programs in priority order, we would have to put the National Cooperative Soil Survey Program immediately after the conservation technical assistance program for purely technical reasons. These surveys which are accomplished through a National Cooperative program involving other Federal, State, and local governments and are focused on providing information to the American public.

The soil is the mediator between farming practices, agricultural chemicals, waste disposal, and the environment. Consequently, the conservation and sustainability of soil quality is a fundamental first step to environment improvement. Soil surveys provide the inventory of the Nation's basic resource to determine the inherent capabilities of the land and from that derive conservation treatment needs and the most sustainable use of the land. With this basic resource information, lands most vulnerable to erosion, acidification, compaction, pollution, and other forms of soil degradation can be identified. Once these areas are identified, soil survey information is used by conservationists, farmers, ranchers, urban planners, environmental engineers, and other Federal agencies, State and local organizations to design and install site specific conservation practices and to make better informed decisions regarding the appropriate land use. The result is remediation of the degradation of soil quality, sustainability of agricultural productivity and improvement of intimately related resource problems such as water quality and wetland degradation.

# PERSONNEL AND FUNDING LEVELS FOR TECHNICAL SERVICE CENTERS

Mr. DURBIN. Please update the table that appears on page 204 of last year's hearing record showing the personnel and funding level for each of the four regional technical centers to reflect fiscal year 1993 actuals and fiscal years 1994 and 1995 estimates.

Mr. JOHNSON. I will provide for the record a table that reflects the information requested.

[The information follows:]

## TECHNICAL SERVICE CENTERS

[Dollars in thousands]

	Staff years			Funding levels		
	1993	1994	1995	1993	1994	1995
Northeast—Chester, PA .....	64	56	42	\$4,802	\$4,604	\$3,442
South—Fort Worth, TX .....	255	241	215	17,080	16,988	15,505
Midwest—Lincoln, NE .....	220	212	190	13,375	13,532	12,335
West—Portland, OR .....	102	100	89	8,058	8,414	7,590

## CONSERVATION TECHNICAL ASSISTANCE PROGRAM ACCOMPLISHMENTS

Mr. DURBIN. Also update the table right below it showing the overall accomplishments under the technical assistance programs to reflect fiscal year 1993 actuals, and fiscal years 1994 and 1995 estimates.

Mr. JOHNSON. We will be happy to provide that information for the record.

[The information follows:]

## OVERALL ACCOMPLISHMENTS UNDER THE CONSERVATION TECHNICAL ASSISTANCE PROGRAM

	Fiscal year		
	1993 actual	1994 estimate	1995 estimate
Decisionmakers receiving technical services .....	1,227,216	1,250,000	1,230,000
Acres treated through conservation technical assistance .....	62,112,335	63,500,000	62,200,000
Tons of soil erosion reduced .....	341,429,852	340,000,000	335,000,000

## RIVER BASIN SURVEYS AND INVESTIGATIONS STAFF YEARS

Mr. DURBIN. For River Basin Surveys and Investigations, the budget request proposes to reduce employment from the fiscal year 1993 base by 3.0 percent. What is the fiscal year 1993 base level and how many staff years does this translate into for fiscal year 1995?

Mr. JOHNSON. In fiscal year 1993 there were a total of 207 direct staff years in support of the River Basin Surveys and Investigations Program. In support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 3.0 percent. This reduces the fiscal year 1995 level by about 6 staff years. In addition, there are decreases for administrative efficiency and in program funding for a total direct staff year level of 164 proposed for fiscal year 1995.

## RIVER BASINS SURVEYS AND INVESTIGATIONS

Mr. DURBIN. With the decreased budget request for this account, you state that work will continue on the cooperative river basin studies and flood plain management studies already in progress, but at a reduced rate. You also state that no new studies will be initiated. Please list all studies that are currently in progress including when they started, the cost of each, and when you expect them to be completed.

Mr. JOHNSON. We will provide a list of the ongoing river basin surveys and investigation studies for the record.

[The information follows:]



## Ongoing River Basin Program Studies

St Name	Kind	Start	Finish	SCS94	FS94	Sp94	SCS95	FS95	Sp95	SCS96	FS96	Sp96	Total SCS	Total FS	Total SPONSORS	GRAND TOTAL
AK AK Strategic WR Plan	SWRP	9210	9409	165	50	0							265	75	0	340
AK Kuskokwim River	CRBS	8610	9410	93	27	0							261	124	30	415
AL ACT-AFC	CRBS	9210	9412	82	0	0	20	0	660				114	0	1320	1434
AL Black Belt Water Resources	CRBS	8910	9407										425	0	80	505
AR AMRBIAC	IAC	7001	9909	12	0	0	12	0	0				48	0	0	48
AR Five-County RB Study	CRBS	9110	9409	100	13	0							392	56	105	553
AR Holly Grove	FPMS	9210	9405										46	0	7	53
AR Searcy	FPMS	9310	9512	5	0	22	52	0	8	9	0		66	0	30	96
AR Stuttgart	FPMS	9210	9409	31	0	0							67	0	40	107
AR West Jonesboro	FPMS	9210	9503	100	0	0	50						265	0	0	265
AZ Arizona Water Resource Study	CRBS	8710	9507	5	0	0							78	0	0	78
AZ Moccasin Wash Natural Resource Plan	SRP	9210	9406	70	0	5							175	0	11	186
AZ San Xavier	FPMS	9407	9510	65	0	13	85	0	16				150	0	29	179
AZ Sedona, City of	FPMS	8810	9404										260	0	17	277
CA Imperial Westmoreland	RP	9110	9507	18		3							318	0	122	440
CA Mugu Lagoon	CRBS	9210	9408	25	5	10							220	25	110	355
CO Calhan	FPMS	9210	9409	10									40	0	10	50
CO Four Mile Creek	FPMS	9212	9405	34	0	0							59	0	15	74
CO Lower South Platte River	CRBS	9210	9510	185	0	15	125	0	5				405	0	25	430
CT Evaluation Process	CRBS	9210	9509	61	0	4							122	0	8	130
CT Hosley Brook	FPMS	9301	9409										26	0	12	38
CT Scantic River	FPMS	8910	9509	25	0	0							75	0	93	168
CT Scantic River (Somers)	FPMS	8910	9512	20	0	39	22	0	45				77	0	167	244
CT Toilsome Brook	FPMS	9210	9407										79	0	34	113
CT Town of Ellington	FPMS	8910	9509										0	0	0	0
CT Town of Enfield/Ct.Riv.Trib.	FPMS	9202	9512	10	0	54	16	0	48				96	0	207	303
DE DE Strategic WR Plan	SWRP	9310	9609	20	0	0							20	0	0	20
DE Red Clay/White Clay	SRP	9210	9401	10	0	0							40	0	5	45
DE Stormwater Manual	SRP	9210	9409										5	0	5	10
FL FL Strategic WR Plan	SWRP	9210	9909	25	0	0	25	0	0	25	0	0	100	0	0	100
FL Indian River Lagoon Estuary	CRBS	9210	9509	170	15	0							220	15	0	235
FL Suwannee River (GA)	CRBS	9210	9509	25	5	0							50	5	10	65
FL Telogia Creek	CRBS	9210	9310	15									145	5	0	150
GA ACF/ACT Water Demand	CRBS	9210	9509	10	0	0							10	0	0	10

St Name	Kind	Start	Finish	SCS94	FS94	Sp94	SCS95	FS95	Sp95	SCS96	FS96	Total	Total	Total	GRAND	
				SCS	FS	SP	SCS	FS	SP	SCS	FS	SCS	FS	SP	GRAND	
GA Fannin County	FMPS	9210	9409	45	0	7						137	0	50	187	
GA Lake Lanier Water Quality	CRBS	9210	9509	73	10	13	73	2	1			178	16	137	331	
GA Suwannee River (FL)	CRBS	9210	9509	100	10	5	250	10	10			370	20	25	415	
GA Union County	FMPS	9210	9509	50	0	38	48	0	50			148	0	126	274	
HI Ka'u	CRBS	8910	9404									396	8	13	417	
IA L.R.R.,Middle R.,Erosion	SRP	9210	9409									94	5	60	159	
IA L.R.R.,So. R.	SRP	9210	9410	303	37	105						433	72	185	690	
IA L.R.R.,So. R.,Erosion	SRP	9210	9409									94	5	60	159	
IA Lake Red Rock	CRBS	9010	9609									707	0	612	1319	
IA UMRBA	IAC	7001	9909	10	0	0						10	0	0	10	
ID Bear River Watershed	SRP	9210	9308									124	0	25	149	
ID Coeur d'Alene	CRBS	9010	9401	40								173	53	20	246	
ID Deep Creek Watershed	SRP	9306	9309									15	0	1	16	
ID Fort Hall Groundwater Quality Study	CRBS	9110	9310	20								140	0	160	300	
ID ID Strategic WR Plan	SNRP	9107	9912	25	0	0	25	0	0	25	0	0	100	0	0	100
IN IN Strategic WR Plan	SNRP	9210	9909	25	0	0	25	0	0	25	0	0	100	0	0	100
IN Nonpoint Source Pollutants	CRBS	9210	9409	270	27	24						540	55	51	646	
KS KS Strategic WR Plan	SNRP	8910	9505	25								25	0	25	50	
KY Beaver Creek - Frenchburg	FMPS	9210	9410	70	0	12						98	0	21	119	
KY Hinkston Creek - Mt. Sterling	FMPS	9210	9609	68	0	11						98	0	21	119	
KY Licking River	CRBS	8910	9406									100	5	0	105	
KY Mammoth Cave	RP	9105	9404									75	0	0	75	
KY Princeton - Karst	FMPS	9210	9410	68	0	13	5	0	1			96	0	21	117	
KY Troublesome Creek	FMPS	9010	9609	35	5	0						234	5	15	254	
LA Benoit Bayou FMPS	FMPS	9110	9405									27	0	27	54	
LA Hermentau	CRBS	9210	9509	100	0	25						241	0	155	396	
LA Teche - Vermillion	CRBS	9210	9509	80	0	0	80					220	0	0	220	
LA Tensas	CRBS	9210	9509	80	10	90						140	20	160	320	
MA Broadmoor Wildlife Sanctuary	CRBS	9110	9412									52	0	12	64	
MA Godfrey Brook	FMPS	9212	9501	43	0	13						113	0	33	146	
MA Historic Site Hazard Eval.	CRBS	9210	9409	60	0	12						90	0	24	114	
MA MA Strategic WR Plan	SNRP	9210	9509	80			40	20				160	0	60	220	
MA Southeast Mass. Hydrology	CRBS	9110	9609	40	0	20	40	0	20	40		200	0	85	285	
MA Streambank Erosion	CRBS	9010	9409									87	2	80	169	
MO NPS Assess. & Accounting System	CRBS	9210	9406	30		16						75	10	43	133	
MO Upper Wisconsin River	FMPS	9010	9409									267	0	127	394	

St Name	Kind	Start	Finish	SCS94	FS94	Sp94	SCS95	FS95	Sp95	SCS96	FS96	Total SCS	Total FS	Total SPONSORS	GRAND TOTAL
ME Anson, Town of	FIS	9210	9404									0	0	28	28
ME Capisic/Stroudwater	FPMS	9210	9409	49	0	17						109	0	32	141
ME Madison Town of	FIS	9210	9404									0	0	40	40
ME Rangeley	FPMS	8910	9405									80	0	19	99
ME Sawyer Brook	FPMS	9210	9409	60	0	5						120	0	20	140
MI Great Lakes Commission	IAC	7000	9909	20	0	50	20	0	50			80	0	200	280
MI Little Black River Watershed	FPMS	9310	9412	16	0	5	7	0	4			23	0	9	32
MI Oososso/Constock Drain	FPMS	9210	9409	15	0	5	54	0	36			108	0	72	180
MI Thunder Bay River	CRBS	9310	9509	137	20	0	143	20	0			280	40	0	320
MI West Central Lower Michigan Coop. River Basin	CRBS	9210	9409	143	20	22						280	40	44	364
MN Thief and Red Lake	CRBS	9310	9509	80	5	20	80	5	20			160	10	40	210
MN Upper MS River	IAC	9210	9909	10	0	0						20	0	0	20
MO MO Strategic MR Plan	SNRP	9210	9709	25	0	0	25	0	0	25	0	0	0	0	0
MO Marthville's Town Branch	FPMS	9210	9409	60	3	0						126	5	2	133
MO State Water Plan	CRBS	9210	9610									290	5	200	495
MS Deer Creek	CRBS	9210	9509	200	0	5	180	0	5			580	0	15	595
MS Mississippi Delta Water Use Study	CRBS	9211	9710	850	0	20	850	0	20	850	0	4093	0	100	4193
MS Pearl River Phase II	CRBS	9307	9412	200	15		51	5				281	20	0	301
MT Bitter Root River	FPMS	9112	9412	72	0	11	53	0	11			196	0	44	240
MT Gallatin River at Big Sky	FPMS	9210	9309									37	0	9	46
MT MT Strategic MR Plan	SNRP	9210	9709	25	0	0	25	0	0	25	0	0	0	0	0
MT Montana Dam Breach Analysis	CRBS	9210	9309									115	3	15	133
NC Eastern North Carolina	CRBS	9110	9405									223	5	0	228
NC Hydrologic Unit	CRBS	9110	9405	15	2	0						275	7	137	419
NC Piedmont NC CRBS	CRBS	9403	9505	113	2	15	87	2	11			200	4	26	230
NC Piedmont NC Water Supply CRBS	CRBS	9310	9504	117	2	21	77	2	18			194	4	39	237
ND City of Langdon FPMS	FPMS	9310	9508	20	0		45					65	0	0	65
ND Lower Forest River	FPMS	9210	9411	72	0	12	6	0	1			80	0	13	93
ND West Missouri River	CRBS	8810	9309									425	26	13	464
NE Loseke Taylor Creeks	FPMS	8804	9405									140	0	10	150
NE Lower Big Nemaha	FPMS	8910	9509	87	0	0	85	0	4			396	0	108	504
NE Lower Loop Area 28 Groundwater Resource Assessment	CRBS	9310	9603	121	3	30	110	1	30			231	4	60	295
NE Ogallala Tributaries	FPMS	8710	9308									88	0	25	113
NE Shell Creek	FPMS	9110	9406	128	0	10						246	0	14	260
NE Wahoo Creek	FPMS	9110	9404	41	0	6						220	0	118	338
NH Beaver Brook	FPMS	9110	9409									53	0	21	74



St Name	Kind	Start	Finish	SCS94	FS94	Sp94	SCS95	FS95	Sp95	SCS96	FS96	Sp96	Total SCS	Total FS	Total SPONSORS	GRAND TOTAL
NH NH Strategic UR Plan	SWRP	9210	9709	25									25	0	0	25
NH Saltmarsh Inventory	FPMS	9210	9406	38	0	37							133	0	72	205
NJ Delaware River	IAC	7000	9909	25	0	0			35				170	20	206	396
NJ New Jersey Water Resource Management Strategic Plan	CRBS	9210	9509	60	10	15			15				180	30	45	255
NJ Pesticide Fertilizer Use and Water Quality	CRBS	9010	9309										145	0	226	371
NH Chamberino	FPMS	9210	9410	38		1							72	0	22	94
NH Las Cruces, Northeast	FPMS	9110	9309										63	0	38	101
NH NH State Water Plan	CRBS	9210	9309	50									113	0	0	113
NH NH Strategic UR Plan	SWRP	9310	9909	20	0	0							20	0	0	20
NH Pecos River	CRBS	8910	9410										0	0	0	0
NH Zuni River Watershed	CRBS	9310	9510	255	30								255	30	0	285
NV Fernley Town Watershed	FPMS	9110	9405	90	0	8							230	0	40	270
NV Lower Carson River	IAC	9210	9909	14	0	0							14	0	0	14
NV Lower Truckee River	IAC	9210	9909	6	0	0							6	0	0	6
NV Lake Champlain	CRBS	9110	9309										186	44	114	344
NV Lake Ontario Drainage	CRBS	8810	9309	95	10	0							353	10	15	378
NV New York City Watershed	CRBS	9210	9609	167	25	192							556	85	674	1315
OH Emergency Action Plans	FPMS	9210	9409	120	0	20							200	0	30	230
OH Hellbranch	FPMS	9210	9309										50	0	10	60
OH Muskingum River	CRBS	9210	9409	200	0	110							520	0	300	820
OH Nonpoint Source Problem	CRBS	8810	9310										280	35	60	375
OK LHMP	FIS	9303	9409										0	0	0	0
OK Upstream Flood Damage Data	CRBS	9110	9409	120	8	20							425	16	60	501
OR OR Strategic UR Plan	SWRP	9210	9709	25	0	0			0	25	0	0	100	0	0	100
OK Upper Grand Ronde	CRBS	9210	9409	110	60	250							220	120	500	840
PA Chartiers Run	FPMS	9210	9506	73	3	6			6	76	3	6	197	8	22	227
PA Mill Creek	FPMS	8610	9307										5	0	0	5
PA Susquehanna River	IAC	7000	9909	26	0	0							76	0	0	76
PB Rota	RP	9010	9405										0	0	0	0
PB Rota and Tinian	CRBS	9010	9405										180	0	10	190
PB Tinian	RP	9010	9404										0	0	0	0
RI Maskerchugg River & Dark Entry Brook	FPMS	8208	9306										20	0	0	20
RI RI Strategic UR Plan	SWRP	9210	9509	42	2	3			3	50	2	3	115	4	8	127
RI Scituate Reservoir	CRBS	9302	9606	160	2	30			2	100	2	20	562	4	224	790
SC ACE	CRBS	9110	9404	40	1	10							190	21	35	246
SC Chattooga/Tugaloo/Chauga CRBS	CRBS	9212	9409	45	23	22							65	25	27	117

St Name	Kind	Start	Finish	SCS94	FS94	SP94	SCS95	FS95	SP95	SCS96	FS96	SP96	Total SCS	Total FS	Total SP	GRAND TOTAL
SC Collins Creek	FPMS	9210	9509	50	0	5	30	0	37				110	0	79	189
SC Holly Mill	FPMS	9310	9409	40	2	10							40	2	10	52
SC SC Strategic WR Plan	SWRP	9312	9507	60	3	20							170	18	40	228
SC Salkhatchie River Water Quality	CRBS	9310	9409	45	10	23							45	10	23	78
SC Sea Island Water Quality	CRBS	9310	9409	45	10	23							45	10	23	78
SD Lower Bad River	CRBS	9010	9404	10	2	15							365	51	128	544
TN Clinch-Powell (VA)	CRBS	9110	9409	169	15	25							449	44	67	560
TN Elk Fork Creek (KY)	FPMS	9010	9309										518	12	85	615
TX Lower Colorado River	CRBS	9310	9508	59	0	59	54	0	54				113	0	113	226
TX Upper Trinity River Basin Coop	CRBS	9210	9410	358	0	0							769	0	0	769
UT Heber Valley	CRBS	9110	9406	52	7	0							207	22	0	229
UT Kanab, City of	FPMS	9010	9306	15	0	0							172	0	21	193
UT Upper Provo RR Irrigation	CRBS	9110	9401	12	0	6							209	48	23	280
VA Southern Virginia (Middle Roanoke River) CRBS	CRBS	9103	9709	55	3	4				50	3	4	230	12	16	258
VA Southern Virginia (Nottoway River) CRBS	CRBS	9103	9709	55	3	4				50	3	4	230	12	16	258
VA Southern Virginia CRBS	CRBS	9103	9709	200	12	20	200	12	20	200	15	20	1400	90	256	1746
VT Lake Champlain	CRBS	9210	9409	110	12	40							220	16	83	319
VT Montpelier	FPMS	9110	9309										72	0	27	99
VT New England Commission	IAC	7000	9909	10	0	0	10	0	0	10	0	0	40	0	0	40
WA Fairfield, Town of	FPMS	9110	9309										32	0	7	39
WA Puget Sound	CRBS	8610	9509	239	71	89	215	75	0				1356	215	209	1780
WI Flood Damage and Wetland Assessment	CRBS	9110	9309										131	0	40	171
WI GRASS/FOCS (GIS)	CRBS	9110	9403	150	20	80							431	60	240	731
WV Flood Damage Inventory	CRBS	9107	9403	94									549	38	74	661
WV Teays Valley	FPMS	9210	9506	254	0	20	135	0	15				436	0	40	476
WY Big Horn	CRBS	9010	9404										600	30	60	690
WY Crowheart Water Conservation	CRBS	9110	9404										77	6	21	104

## NEW REQUESTS

Mr. DURBIN. For the record, please provide a list of all new requests you received during fiscal year 1993 and so far in fiscal year 1994 for River Basin Surveys and Investigations assistance.

Mr. JOHNSON. We will provide a list of requests for River Basin Surveys and Investigations assistance received during FY 1993 and so far in FY 1994 for the record.

[The information follows:]



NEW FY 1994 RIVER BASIN SURVEYS AND INVESTIGATIONS

STATE	NAME OF STUDY	TYPE	START	FINISH	(EST.COSTS - \$1,000) FY94 FY95 FY96 TOT*
Arkansas	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 25 100
Arkansas/Oklahoma	Little River	CRBS	07/94	09/96	144 485 365 1,005
California	Morongo Indian Reservation	FPMS	03/94	03/95	115 80 195
California	Reclamation District 1500	SRP	11/93	02/95	245 60 305
Colorado	O'Neil Draw	FPMS	10/93	12/94	39 7 46
Colorado	Douglas	FPMS	10/93	12/94	34 7 41
Colorado	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 25 100
Connecticut	Jacobs Brook	FPMS	11/93	09/94	69 69
Connecticut	Berlin	FPMS	01/94	11/96	110 110 110 340
Delaware	Central Pencader	FPMS	01/94	12/95	70 105 175
Georgia	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 25 100
Hawaii	Molokai River	CRBS	10/93	09/95	230 170 400
Idaho	Jump Creek	SRP	10/93	05/94	160 160
Idaho	Henry's Lake SAWQP	SRP	10/93	02/95	175 35 210
Idaho	Paradise Creek	SRP	05/94	08/95	26 26
Idaho	Conant Creek	SRP	10/93	02/94	26 26
Illinois	Metro East	CRBS	10/93	09/95	160 160 320
Louisiana	Flat River	FPMS	10/93	09/95	120 120 240
Maine	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 25 100
Massachusetts	Community Assistance Program	CAP	10/93	09/95	80 90 170
Massachusetts	Lackey Pond Rehabilitation	SRP	10/93	03/95	60 30 90
Minnesota	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 25 100
Minnesota	Hydrologic Unit Delineation	CRBS	10/93	09/95	150 150 300
Montana	Upper Clark Fork River Storage	CRBS	10/93	09/94	80 80
Montana	Greycliff Area Spawning Channel	CRBS	10/93	09/94	60 60
Nebraska	Lower Loup Groundwater Management	CRBS	10/93	09/95	154 141 295
Nebraska	Rock Creek Saline Wetland	CRBS	10/93	09/95	187 187 374
Nevada	East Washoe Valley	FPMS	05/94	06/96	60 150 40 250
New Hampshire	Ashuelot River	CRBS	10/93	09/96	31 31 93
New Jersey	Pohatcong Creek SWM	FPMS	10/93	10/95	150 150 150 450

\*TOTAL MAY ADDITIONALLY INCLUDE FISCAL YEARS OTHER THAN THOSE SHOWN & INCLUDES SCS,FS, & SPONSORS' COSTS

## NEW FY 1994 RIVER BASIN SURVEYS AND INVESTIGATIONS

STATE	NAME OF STUDY	TYPE	START	FINISH	(EST.COSTS - 1,000) FY94 FY95 FY96 TOT*
New Mexico	West Las Vegas	FPMS	10/93	10/95	55 40 95
North Dakota	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Ohio	Darby Watershed	CRBS	10/93	09/95	138 138 276
Ohio	Raccoon Creek	CRBS	10/93	09/94	89 89 99
Oklahoma	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Pacific Basin	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Pacific Basin	Pohnpei	CRBS	10/93	09/95	178 105 283
Puerto Rico	Carraizo River	FPMS	10/93	09/94	145 145
South Carolina	South Hartsville	CAP	10/93	09/94	43 43
South Dakota	Upper Bad River	CRBS	10/93	09/96	152 164 210
South Dakota	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Tennessee	Collins River	FPMS	10/93	09/96	150 148 78
Tennessee	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Texas	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Texas	Veleno Watershed Resources Plan	SRP	10/93	09/95	95 95 190
Texas	Redford Community Resource Plan	CAP	10/93	09/95	60 60 120
Texas	Bosque River Watershed	CRBS	10/93	10/95	120 120 240
Utah	Strategic Water Resources Plan	SWRP	10/93	09/97	20 25 100
Utah	N.Wasatch Multi-Hazard Mitigation	SRP	10/93	09/94	122 122
Vermont	Upper Poultney River	FPMS	10/93	06/95	35 32 96
Vermont	Strategic Water Resources Plan	SWRP	10/93	09/97	25 25 100
Wisconsin/Minnesota	Nemadji River	CRBS	10/93	09/95	440 440 880
Wyoming	Wind River	CRBS	10/93	09/95	270 270 540

\*TOTAL MAY ADDITIONALLY INCLUDE FISCAL YEARS OTHER THAN THOSE SHOWN &amp; INCLUDES SCS,FS, &amp; SPONSORS' COSTS

## REQUESTS FOR RIVER BASIN SURVEYS AND INVESTIGATIONS - FY 1993-94

STATE	NAME OF STUDY
Arizona	San Xavier
Arkansas	Coordinating Committee
Arkansas	Searcy
Arkansas	Strategic Water Resources Plan
Arkansas/Oklahoma	Little River
California	Morongo Indian Reservation
California	Santa Ynez Indian Reservation
California	Reclamation District 1500
California	HUP Activities
Colorado	O'Neil Draw
Colorado	Douglas
Colorado	Strategic Water Resources Plan
Colorado	Victor
Connecticut	Jacobs Brook
Connecticut	Berlin
Delaware	Central Pencader
Florida	Shell Creek
Georgia	ACF/ACT Water Demand
Georgia	Strategic Water Resources Plan
Georgia	Hydrologic Unit Boundaries
Hawaii	Molokai River
Hawaii	Strategic Water Resources Plan
Idaho	Jump Creek
Idaho	Henry's Lake SAWQP
Idaho	Paradise Creek
Idaho	Conant Creek
Illinois	Metro East
Louisiana	Flat River
Maine	Temple
Maine	New Vineyard
Maine	Starks
Maine	Strategic Water Resources Plan
Massachusetts	Community Assistance Program
Massachusetts	Lackey Pond Rehabilitation
Michigan	Little Black River Watershed
Michigan	Thunder Bay River
Minnesota	Thief and Red Lake
Minnesota	Strategic Water Resources Plan
Minnesota	Hydrologic Unit Delineation
Montana	Upper Clark Fork River Storage Sites
Montana	Greycliff Area Spawning Channel
Nebraska	Lower Loup Groundwater Management
Nebraska	Rock Creek Saline Wetland
Nevada	East Washoe Valley
New Hampshire	Ashuelot River
New Hampshire	Souhegan River
New Jersey	Pohatcong Creek SWM
New Jersey	Assunpink Creek H&H Update
New Jersey	Musconetcong River



## REQUESTS FOR RIVER BASIN SURVEYS AND INVESTIGATIONS - FY 1993-94 (cont.)

STATE	NAME OF STUDY
New Mexico	West Las Vegas
New Mexico	Zuni River Watershed
North Carolina	Piedmont NC River
North Carolina	Piedmont NC Water Supply River
North Carolina	Eastern NC Total Water Mngmnt Study
North Dakota	City of Langdon
North Dakota	Strategic Water Resources Plan
Ohio	Dardy Watershed
Ohio	Raccoon Creek
Oklahoma	Strategic Water Resources Plan
Pacific Basin	Pohnpei
Pacific Basin	Strategic Water Resources Plan
Puerto Rico	Carraizo River
South Carolina	Holly Hill
South Carolina	South Hartsville
South Carolina	Sea Island Water Quality
South Carolina	Salkehatchie River Water Quality
South Dakota	Upper Bad River
South Dakota	Strategic Water Resources Plan
Tennessee	Collins River
Tennessee	Strategic Water Resources Plan
Texas	FEMA Flood Insurance
Texas	Strategic Water Resources Plan
Texas	Veleno Watershed Resource Plan
Texas	Redford Community Resource Plan
Texas	Bosque River Watershed
Texas	Lower Colorado River
Texas	CWSE & RSSA White Rock Lake
Utah	Strategic Water Resources Plan
Utah	Multi-Hazard Mit. N. Wasatch
Vermont	Upper Poultney River
Vermont	Strategic Water Resources Plan
Washington	Palisades
Wisconsin/Minnesota	Nemadji River
Wyoming	Wind River

## WATERSHED PLANNING

Mr. DURBIN. For Watershed Planning, you are proposing to continue work on the 96 projects currently underway with priority given to those plans where local sponsors are willing and able to pay the costs of measurement installation. This is because the Administration is proposing to phase out the Watershed and Flood Prevention Operations program. Would you please provide a list of the 96 plans and indicate which ones have commitments from local sponsors to proceed with installation costs.

Mr. JOHNSON. I will provide a list of the projects in planning and indicate those that will be locally implemented for the record.  
[The information follows:]

## PL-566 PROJECTS IN PLANNING

St	Local Implemented	Project Name
AK	X	BADGER ROAD WATERSHED
AK		DELTA CLEARWATER CREEK
AL		N.E. YELLOW RIVER
AL		PINEY CREEK
AR		BUFFALO RIVER TRIBS
AR		DEPARTEE CREEK
AR	X	POPE & CONWAY CNTY-FW & WC
AZ		ASAAYI LAKE
AZ		HOHOKAM
CA		ELKHORN SLOUGH
CA	X	MALIBU LAGOON
CA		MCCOY WASH
CA		ORANGE COVE
CA		UPPER PENITENCIA CREEK
CT	X	QUINNIPIAC RIVER WATERSHED
GA		CHICKASAWHACHEE CREEK
HI		UPCOUNTRY MAUI
IA	X	DRAINAGE DISTRICT #7 (KINGSTON CREEK)
IA		LITTLE PAINT CREEK
IL		ARGYLE LAKE
IL		LAKE CARLINVILLE
IL		LAKE MAUVAISE TERRE/MORGAN
IL		LAKE TAYLORVILLE
IL		LOWER LAKE DECATUR
IL		ULLIN/MILL CREEK
IN	X	COX DITCH #2
IN	X	LAUGHERY CREEK
IN	X	MILL CREEK
IN	X	UPPER EEL RIVER
KS		DOYLE CREEK
KS		UPPER DELAWARE & TRIBUTARIES
KY		BOONE FORK
KY		BUCK CREEK
KY	X	NORTH FORK PANTHER CREEK
KY	X	ROCKHOUSE CREEK
LA		BAYOU BOURBEUX
LA		CENTRAL RICHLAND
LA		MILL HAVEN
MD	X	LITTLE POCOMOKE
MD	X	MARSH RUN AND LITTLE ANTIETAM
ME		PISCATAQUIS RIVER
MI		SWAN CREEK
MN		LOWER WHITEWATER RIVER
MN		MIDDLE FORK WHITEWATER RIVER
MN		NORTH FORK WHITEWATER RIVER
MN		SOUTH FORK WHITEWATER RIVER
MN		UPPER NORTH BRANCH OF ROOT RIVER



## PL-566 PROJECTS IN PLANNING

St	Implemented	Project Name
MO		CROOKED AND OTTER CREEK
MO		EAST FORK GRAND RIVER (IOWA)
MO		HICKORY CREEK
MO		LITTLE OTTER CREEK
MO		MIDDLE FORK OF SALT RIVER
MS		DRY CREEK
MS		HAMBRICK
MS		SELLERS CREEK
MS		TOWN CREEK-CARTHAGE
NC		ANNE MARIE
NC		BLACK CREEK
NC		GOSHEN SWAMP
NC		NAHUNTA SWAMP
NC		UPPER CONTENTNEA CREEK
NC		UPPER FRENCH BROAD RIVER
ND		BELFIELD
ND		COLFAX
ND		TAYLOR
NE		WAHOO CREEK
NM	X	GALLINAS
NM	X	PECOS VALLEY WC PROJECT
NV		EVANS CREEK
NY		CANANDAIGUA LAKE
NY		CAYADUTTA CREEK
NY		ORISKANY CREEK
OK		BRAZIL CREEK
OK		SANS BOIS CREEK
OR		PRAIRIE CREEK
PB		AUA;AMERICAN SAMOA
PB		FINILE
PB		NORTHERN GUAM
PB		NORTHWEST UMATAC
PR		LAPLATA LAKE
SC		CABIN BRANCH
SC		S. DARLINGTON
SD		FALL RIVER-NORTH UNIT
SD		FALL RIVER-SOUTH UNIT
SD		LITTLE MINNESOTA RIVER-BIG STONE LAKE
TN		BEAR CREEK
TN		LICK CREEK
TX	X	BEXAR-MEDINA-ATASCOSA
TX	X	PRESIDIO
TX	X	REDFORD
TX	X	THALIA
UT		MUDDY CREEK-ORDERVILLE
WA	X	OMAK CREEK
WI		MOSHER-ANDERSON CREEKS
WV		LOWER MUD RIVER
WY		NORTH PLATTE VALLEY

## UNOBLIGATED CARRYOVER OF WATERSHED FUNDING

Mr. DURBIN. You show an unobligated balance carried forward into fiscal year 1994 of \$82.5 million. Please explain this carryover of funds.

Mr. JOHNSON. Of the \$82.5 million carried forward into fiscal year 1994, \$50.2 million, or about 61 percent, consisted of funding for the Emergency Watershed Protection Program—EWP. This program received supplemental funding late in the fiscal year to deal with flooding on the Mississippi River and its tributaries. Because of the unpredictability of disasters it is difficult to plan spending in this program on a fiscal year basis.

The remaining carryover occurred in the Small Watersheds Program and the Flood Prevention Program. There are several reasons for this carryover. One is that people who normally work in these areas were diverted to help with the EWP program. The EWP area had a larger than normal workload as a result of the Mississippi flooding, California wildfires, and other disasters.

Another contributing factor to the carryover is that funds were earmarked for projects that took longer than expected to develop to the construction phase and therefore the funds were committed to these projects but could not be obligated.

Carryover also occurs because of the long term nature of the watershed projects. Larger contracts often span several fiscal years and are awarded in phases. A contract may require a commitment of funds to ensure completion of up-coming phases but the funds are not obligated until the bidding and contracting process is completed and a contract is signed.

## WATERSHED PROJECTS

Mr. DURBIN. Provide the Committee with a list of all watershed projects, PL-534, PL-566, and emergency watershed, you currently have underway. Include a brief description of the project, where it is located, the status of its completion, the amount of funding provided to date, and the amount needed for completion.

Mr. JOHNSON. There are 11 authorized projects under the Flood Prevention Program, Public Law 78-534. These projects were authorized primarily for erosion control and flood prevention. Two of the projects, Buffalo Creek in New York, and Coosa River in Georgia, are complete. We will provide for the record the status of the Flood Prevention projects.

The Small Watershed Program currently has 595 projects currently underway. The main purposes are flood prevention, water quality, water-based recreation, and domestic water supply.

We currently have emergency watershed work underway in 21 states and Puerto Rico and the Pacific Basin that has funding from our annual appropriation. We also are working with supplemental appropriations on projects in the Midwest States as a result of the floods of 1993. I will submit a list for the record.

[The information follows:]

## FLOOD PREVENTION PROJECTS (PL-534)

<u>State</u>	<u>Project</u>	<u>Funding to Date</u>	<u>Total Cost</u>
New York	Buffalo Creek	\$5,653,802	\$5,653,802
Georgia	Coosa River	18,386,615	18,386,615
Texas	Colorado,Middle	61,224,319	67,543,773
Iowa	Little Sioux	64,955,844	142,988,919
Mississippi	Little Tallahatchie	58,277,202	170,702,722
California	Los Angeles	60,197,017	81,925,270
West Virginia			
Virginia	Potomac	107,493,801	129,646,193
California	Santa Ynez	39,953,115	48,627,478
Texas	Trinity	180,788,845	246,894,200
Texas, Oklahoma	Washita	163,060,883	191,478,686
Mississippi	Yazoo	223,136,422	521,461,158



## P.L.566 Projects Currently Underway

St	Name	Acre	Oblig	County	Future Obligation
AL	BEAR CREEK-SOUTHEAST	12,900	388,647	GENEVA;HOUSTON	637,453
AL	BEAR-CAINE CREEKS	27,200	339,210	DALLAS;PERRY	20,000
AL	BIG NANCE CREEK	118,925	2,641,099	LAWRENCE	1,304,101
AL	BUCK CREEK	13,900	2,629,467	COVINGTON	20,000
AL	CAMP BRANCH	25,000	887,721	DALE;HOUSTON	326,221
AL	CHANDLER MOUNTAIN	7,040	1,114,388	ST. CLAIR	38,912
AL	CHOCOCOLOCO CREEK	240,600	6,343,993	CALHOUN;CLAY;CLEBURNE;TALLADEGA	775,207
AL	CYPRESS CREEK (TN)	135,360	2,681,309	LAUDERDALE;WAYNE (TN)	49,286
AL	DRY CREEK	25,920	871,306	MARENGO	684,994
AL	DYNNIE CREEK	16,600	2,071,553	CLEBURNE	661,747
AL	FACTORY CREEK	51,600	1,742,975	SUMTER	171,825
AL	HARRISON MILL-PANTHE	29,200	1,517,455	HOUSTON;GENEVA;DALE	25,395
AL	KELLY-PRESTON HILL C	15,500	904,230	DALE	573,470
AL	MEMPHIS-NOXUBEE	94,200	26,212	PICKENS;SUMTER	542,288
AL	MUSH CREEK	38,726	2,987,011	DALLAS;LOWNDES	20,840
AL	PATES CREEK	12,100	382,379	HOUSTON;GENEVA	976,921
AL	POWELL CREEK	42,350	2,509,779	HALE;MARENGO	20,000
AL	SHORT-SCARHAM CREEKS	144,800	129,582	MARSHALL;DEKALB;ETOWAH	3,554,918
AL	SOUTH SAUTY CREEK	112,700	18,691	JACKSON;MARSHALL;DEKALB	2,900,209
AL	TALLASSEHATCHIE CREE	131,077	16,469,186	CLAY;TALLADEGA	20,000
AL	TOWN CREEK	161,000	2,591,062	COLBERT;FRANKLIN;LAWRENCE	2,831,138
AL	TOWN CREEK-DEKALB	143,300	105,434	MARSHALL;DEKALB	2,815,666
AL	WHITEWATER CREEK	164,600	805,124	PIKE;COFFEE	1,632,076
AL	WILKERSON CREEK	23,400	3,481,709	COFFEE;DALE;GENEVA	499,691
AR	BIG SLOUGH	70,160	528,640	CLAY;GREENE	20,000
AR	BOYDSVILLE	31,561	9,619	CLAY	98,941
AR	CEDAR-PINEY CREEKS	27,040	3,112,537	YELL	170,223
AR	CROW CREEK	17,324	354,446	ST. FRANCIS	345,701
AR	DUCK CREEK	10,831	202,293	LOWNOKE;PRAIRIE	214,828
AR	DUNN CREEK	23,540	204,919	LOWNOKE;PRAIRIE	1,143,875
AR	FLAT ROCK CREEK	18,952	8,316,938	CRAWFORD	2,024,334
AR	FOURCHE CREEK	190,400	11,715,973	RANDOLPH;RIPLEY(MO)	574,020
AR	GOULD PORTION OF GRA	12,312		DESHA;LINCOLN	695,200
AR	LITTLE RED RIVER	80,681	1,878,940	WHITE	1,756,260
AR	NORTH FORK OF OZAN C	46,434	3,713,997	HEMPSTEAD;HOWARD;PIKE	711,044
AR	OZAN CREEKS	63,618	4,410,291	HEMPSTEAD	6,412,081
AR	PLUM BAYOU(FLAT BAYO	21,037	2,127,538	JEFFERSON	140,941
AR	POINSETT	51,326	11,531,519	CRAIGHEAD;POINSETT	6,382,766
AR	SOUTH FORK	44,851	4,089,169	MONTGOMERY	1,378,935
AR	SOUTH FOURCHE	248,990	10,113,443	PERRY;YELL;SALINE;GARLAND	1,034,734
AR	UPPER PETIT JEAN	211,620	5,156,311	LOGAN;SCOTT;SEBASTIAN	5,933,089
AR	UPPER TRI-COUNTY	95,893	3,402,262	INDEPENDENCE;LAWRENCE;SHARP	1,000,000
AR	YOCONA-SPYBUCK	45,432	972,371	ST. FRANCIS;LEE	20,000
AZ	APACHE JUNCTION-GILB	89,983	7,902,342	MARICOPA;PINAL	1,433,177
AZ	BUCKHORN-MESA	69,172	18,619,045	MARICOPA;PINAL	5,970,221
AZ	ELOY	20,700	2,291,452	PINAL	3,394,680
AZ	MARQUAHALA VALLEY	239,360	22,829,497	MARICOPA;YUMA	1,782,600
AZ	NEW MAGMA	27,600	899,118	MARICOPA;PINAL	20,000
AZ	WILLIAMS-CHANDLER	136,775	35,839,720	MARICOPA;PINAL	3,177,778
AZ	YUMA MESA	33,000	481,752	YUMA	137,246
CA	BEARDSLEY	20,500	29,292,522	VENTURA	6,127,478
CA	CARPINTERIA VALLEY	15,700	15,594,073	SANTA BARBARA	2,277,778
CA	CENTRAL SONOMA	50,000	11,621,415	SONOMA	1,382,592
CA	CULL CREEK	4,030	1,327,021	ALAMEDA;CONTRA COSTA	1,321,179
CA	INDIAN CREEK	217,500		PLUMAS	680,000
CA	LOWER LLAGAS CREEK	19,200	23,632,120	SANTA CLARA	3,968,272
CA	LOWER SILVER CREEK	27,700	1,214,132	SANTA CLARA	11,877,778
CA	MARSH-KELLOGG CREEK	116,420	5,276,058	ALAMEDA;CONTRA COSTA	1,377,778
CA	TEHACHAPI	32,420	16,047,864	KERN	1,414,691
CA	UPPER LLAGAS CREEK	35,000	720,546	SANTA CLARA	5,377,778
CA	UPPER STONY CREEK	243,200	1,324,343	COLUSA;GLENN;LAKE	200,557
CA	WOODLAKE-ANTELOPE VA	17,900	1,547,566	TULARE	1,805,967
CO	SHAVANO VALLEY	35,200	479,554	MONTROSE	2,891,744
CO	SPRING CREEK	56,985	123,762	LARIMER;WELD;LARIMIE(WY)	20,000
CO	TRINIDAD LAKE NORTH	111,100	321,700	LAS ANIMAS	847,200
CO	WOLF CREEK-HIGHLANDS	110,870	554,272	PROMERS	434,000
CT	AVERY BROOK	1,664	2,775,817	HARTFORD	905,904
CT	FARM BROOK	2,930	1,805,595	NEW HAVEN	247,156
CT	MILL-HORSE BROOK	11,230	516,289	WINDHAM;NEW LONDON	1,834,745

## P.L.566 Projects Currently Underway (cont.)

CT NORWALK RIVER	20,310	1,316,214	FAIRFIELD	3,860,444
CT SOUTH BRANCH PARK RI	30,080	28,314,616	HARTFORD	1,097,538
CT YANTIC RIVER	61,400	1,779,265	NEW LONDON;TOLLAND	2,777,878
DE INDIAN RIVER BAY	117,000	1,346,300	SUSSEX	240,982
DE LOVE CREEK	12,765	20,668	SUSSEX	1,000,000
DE MARSHHOPE CREEK	100,600	9,474,803	KENT;SUSSEX;CAROLINE(MD);DORCHESTER(MD)	1,000,000
DE UPPER CHOPTANK RIVER	57,000	10,586,096	KENT;CAROLINE(MD);QUEEN ANNES(MD)	26,138
FL AUCILLA RIVER	148,880	916,046	JEFFERSON;BROOKS(GA);THOMAS(GA)	317,929
FL EAST PITTMAN CREEK	17,600	1,439,355	HOLMES	66,454
FL NORTH EAST MIDDLE SU	213,400		SUWANNEE	2,030,000
FL NORTH WEST MIDDLE SU	72,000		LAFAYETTE	1,837,500
FL POND CREEK	164,000	2,246,263	SANTA ROSA	258,143
FL SOUTH EAST MIDDLE SU	149,300		SUWANNEE	1,160,000
FL SOUTH WEST MIDDLE SU	93,000		LAFAYETTE	1,481,200
FL SPRING CREEK	50,770	1,186,303	JACKSON;HOUSTON(AL)	626,817
FL UPPER SHOAL RIVER	79,560	1,418,567	WALTON	145,761
FL WEST FORK COLDWATER	49,800	638,227	SANTA ROSA	78,336
GA BEAVER CREEK	26,070	1,723,828	MACON	182,862
GA BEAVERDAM CREEK	68,149	1,357,295	ELBERT;FRANKLIN;HART	6,391,518
GA BIG CEDAR CREEK	133,205	6,513,814	POLK;FLOYD	5,932,102
GA CASON BRANCH-DUHART	57,000	364,720	JEFFERSON;GLASCOCK	184,430
GA DAYS CROSSROADS COMM	410		CLAY	126,000
GA FIVE POINTS AREA	48,480		DOOLY;HOUSTON;MACON	2,303,138
GA HORSE CREEK	100,600	217,244	TELFAIR;DOOGEE	346,430
GA HUDSON RIVER	126,510	3,078,159	BANKS;FRANKLIN;MADISON	1,928,719
GA LITTLE CREEK	82,579	697,571	WHEELER;LAURENS	1,550,538
GA LITTLE RIVER	146,200	1,003,875	TIFT;TURNER;WORTH;COLQUITT	609,099
GA LITTLE SANDY CREEK &	27,276	4,694,603	CLARKE;JACKSON;MADISON	387,499
GA LOWER LITTLE TALLAPO	133,218	7,584,991	CARROLL;HARALSON;HEARD	8,111,538
GA MIDDLE FORK BROAD RI	50,829	1,067,041	BANKS;FRANKLIN;HABERSHAM;STEPHENS	3,535,538
GA MIDDLE OCOONEE-WALNUT	91,700	3,069,574	HALL;JACKSON	11,731,538
GA NORTH OCOONEE RIVER	57,345	491,242	HALL;JACKSON	12,979,181
GA PISCOLA CREEK	96,500		BROOKS;THOMAS	2,564,469
GA SALLACOA CREEK AREA	76,600	4,154,514	BARTON;CHEROKEE;PICKENS;GORDON	5,456,538
GA SHOAL CREEK	48,640	1,171,571	MARION	155,997
GA SOQUE	84,055	2,933,640	HABERSHAM	8,271,538
GA SOUTH FORK OF BROAD	92,990	1,567,180	CLARKE;MADISON;OGLETHORPE	4,731,544
GA TESNATEE CREEK	45,194	2,771,849	LUMPKIN;WHITE	5,863,550
GA TURKEY CREEK	35,000	104,476	DOOLY;HOUSTON	369,999
GA UPPER FIFTEEN-MILE C	33,600	76,493	EMANUEL;JENKINS	219,687
GA UPPER MULBERRY RIVER	61,481	1,876,497	BARROW;GWINNETT;HALL;JACKSON	5,559,550
HI HONOLUA	24,800	11,228,158	MAUI	4,992,491
HI KAHALUA	4,420	16,459,226	HONOLULU	3,265,552
HI LAHAINA	5,250		MAUI	4,742,300
HI WAILUKA-ALENAIO	167,000	1,257,027	HAWAII	4,478,333
HI WAIMANALO	6,132	2,657,818	HONOLULU	2,252,770
HI WAIPIA-PAUULO	143,900	122,936	HAWAII	2,005,397
IA A&T LONG BRANCH	16,362	901,276	TAYLOR;ADAMS	1,072,917
IA BADGER CREEK	34,346	4,927,911	DALLAS;MADISON;WARREN	57,436
IA BLOCKTON	18,720	1,636,773	RINGGOLD;TAYLOR	20,000
IA HACKLEBARNEY	44,850	1,619,435	MONTGOMERY;ADAMS	359,598
IA INDIAN CREEK-VAN BUR	47,200	3,827,887	VAN BUREN;CLARK(MO)	10,317
IA LITTLE RIVER	66,000	3,772,952	DECATUR	50,572
IA LONG BRANCH	20,030	601,150	SHELBY;AUDUBON	958,710
IA MILL CREEK	51,900	576,209	PAGE;WODAWAY(MO)	20,000
IA MILL-PICAYUNE CREEK	62,994	10,739,833	CRAWFORD;HARRISON;SHELBY	2,853,037
IA MOSQUITO OF HARRISON	24,510	4,424,898	HARRISON;SHELBY	2,237,951
IA NORTH PIGEON	4,510	2,986,548	POTTAWATTAMIE	109,503
IA SIMON RUN	4,150	838,068	POTTAWATTAMIE	53,895
IA SOAP CREEK	162,000	1,758,295	APPANOOSE;DAVIS;MONROE;WAPELLO	194,902
IA THREE MILE CREEK	37,320	2,235,405	ADAIR;UNION	2,023,666
IA TROUBLESOME CREEK	83,100	7,619,980	AUDUBON;CASS;GUTHRIE	3,491,290
IA TURKEY CREEK	86,121	3,885,289	ADAIR;AUDUBON;CASS;GUTHRIE	3,326,774
IA TWELVE MILE CREEK	50,030	3,579,683	ADAIR;RINGGOLD;UNION	1,924,000
IA TWIN PONIES	21,640	621,353	POTTAWATTAMIE;MILLS	710
IA WAUBONSIE CREEK	29,510	6,496,683	MILLS;FREMONT	75,893
ID BEDROCK CREEK	41,915	54,185	CLEARWATER;WEZ PERCE	234,065
ID BRUNDAGE	44,107	2,246,420	ADAMS	20,000
ID HAZELTON BUTTE	14,700	751,973	JEROME	17,241
ID LOWER SAND CREEK	47,950	313,504	BONNEVILLE;BINGHAM	20,000

## P.L.566 Projects Currently Underway (cont.)

ID	MISSION-LAPWAI CREEK	85,870	33,483	LEWIS;NEZ PERCE	21,333
ID	ROCK CREEK-BIG CANYO	53,500	493,485	POWER	20,000
ID	ROCK CREEK-MOUTZ/OUT	67,750	494,838	POWER	4,976
ID	ROCK CREEK-ROY EAST	30,912	530,866	POWER	2,231
ID	ROCK CREEK-SUBLETT	36,200	967,896	POWER	9,819
ID	ROCK CREEK-SUMMIT	31,000	293,727	POWER;ONEIDA	20,000
ID	TAMHANY CREEK	34,160	382,112	NEZ PERCE	30,007
ID	TENSED/LOLO	22,000	692,878	BENEWAH	44,683
ID	THORN CREEK	21,080	1,511,629	LATAH;WHITMAN(WA)	37,309
ID	UPPER SAND CREEK	56,140	467,771	BONNEVILLE	37,773
IL	ASH-LOOP	8,500	862,589	ST. CLAIR	209,167
IL	KINKAID LAKE	42,340	1,090,057	JACKSON	117,872
IL	LAKE BLOOMINGTON	43,100	47,892	MCLEAN	936,708
IL	LAKE MATTOON	34,900	1,170,410	COLES;CUMBERLAND;SHELBY	121,182
IL	LICK CREEK	88,400	1,001,714	SANGAMON;MORGAN	217,300
IL	LITTLE CALUMET RIVER	136,500	31,570,451	COOK;WILL	34,830,854
IL	LOWER DES PLAINES TR	243,700	16,403,081	LAKE;COOK;DU PAGE	13,251,019
IL	MILL CREEK	81,840	9,336,742	CLARK;EDGAR	797,913
IL	RACCOON LAKE	30,720	778,135	MARION;JEFFERSON	185,221
IL	SPRING LAKE	12,966	1,012,448	MCDONOUGH	202,194
IL	UPPER CRAB ORCHARD C	52,600	529,240	UNION;PULASKI;ALEXANDER	2,315,107
IL	UPPER SALT CREEK	33,280	40,257,929	COOK;DU PAGE;LAKE	392,650
IN	BACHELOR RUN	23,519	2,651,401	CARROLL;HOWARD	76,571
IN	HONEY CREEK	59,500	142,901	VIGO;CLAY	2,299,899
IN	JORDAN CREEK	35,123	5,232,224	WARREN	246,597
IN	MARIAH CREEK	58,850	920,611	KNOX;SULLIVAN	20,000
IN	MIDDLE FORK OF ANDER	69,400	3,171,093	CRAWFORD;PERRY	164,799
IN	MUDDY FORK OF SILVER	42,642	2,224,602	CLARK;FLOYD;WASHINGTON	1,062,770
IN	PIGEON CREEK	34,600	69,913	STEBEN	108,857
IN	TWIN-RUSH CREEK	28,099	5,013,963	WASHINGTON	1,000,000
IN	UPPER BIG BLUE RIVER	124,000	12,120,997	HENRY;RUSH	20,000
KS	BIG CREEK	84,100	2,476,102	COFFEY;GREENWOOD;LYON;WOODSON	1,000,000
KS	EAST SECTOR WHITEWAT	153,000	1,314,188	BUTLER;HARVEY;MARION	879,912
KS	ELK CREEK	89,036	4,131,623	ATCHISON;JACKSON;NEMAHA	7,818,854
KS	GRASSHOPPER-COAL CRE	61,440	4,948,769	ATCHISON;BROWN;JEFFERSON	4,180,071
KS	LOWER ELK RIVER	130,440	6,281,149	ELK;CHAUTAUGUA;WILSON	1,759,451
KS	LYONS CREEK	179,776	4,613,922	DICKINSON;GEARY;MARION;MORRIS	1,111,050
KS	MIDDLE CREEK (MORRIS	72,211	2,371,272	MORRIS;MARION;CHASE	1,717,394
KS	MIDDLE WALNUT	188,947	1,849,899	BUTLER;COMLEY;SUMNER;SEDGWICK	1,337,522
KS	NORTH BLACK VERMILLI	104,416	7,202,708	MARSHALL;NEMAHA	3,917,192
KS	NORTH SECTOR UPPER W	218,506	4,694,580	BUTLER;CHASE	1,153,320
KS	NORTH-MIDDLE FORKS W	45,890	157,248	BROWN	4,004,195
KS	PONY CREEK	39,490	80,903	BROWN;NEMAHA;RICHARDSON(NE)	3,227,878
KS	ROY'S CREEK	27,740	788,071	BROWN	1,236,123
KS	SOUTH FORK	184,550	1,770,001	BUTLER;CHASE;GREENWOOD	3,090,200
KS	SOUTH FORK WOLF	41,590	1,372,069	ATCHISON;BROWN;DONIPHAN	2,660,569
KS	SPILLMAN CREEK	119,360	4,334,688	LINCOLN;MITCHELL;OSBORNE;RUSSELL	2,290,880
KS	SQUAW CREEK LOWER WO	73,040	476,679	BROWN;DONIPHAN	4,777,790
KS	UPPER BLACK VERMILLI	54,886	6,147,877	MARSHALL;NEMAHA	803,623
KS	UPPER SALT CREEK	201,990	12,747,706	LINCOLN;MITCHELL	2,044,163
KS	WEST SECTOR WHITEWAT	174,960	3,089,590	SEDGWICK;HARVEY;BUTLER	1,000,000
KS	WET WALNUT NO. 1	145,292	2,951,023	BARTON;RUSH	1,242,056
KS	WET WALNUT NO. 2	232,219	6,467,999	NESS;PAWNEE;RUSH	2,978,190
KS	WET WALNUT NO. 3	228,568	5,688,282	NESS	3,112,561
KY	BACON CREEK	2,820	789,497	WHITLEY	20,000
KY	BIG MUDDY CREEK	65,140	2,961,230	BUTLER;LOGAN	658,823
KY	BRASHEAR'S CREEK	171,000	159,306	HENRY;SHELBY;SPENCER	158,009
KY	CANE VALLEY	14,200	307,637	ADAIR;GREEN;TAYLOR	1,944,586
KY	CANEY CREEK	97,310	10,914,182	BUTLER;GRAYSON;OHIO	152,722
KY	EAST AND MIDDLE FORK	19,300	186,809	MCCRACKEN	354,269
KY	EAST FORK OF POND RI	139,700	10,655,750	CHRISTIAN;MUHLENBERG;TODD	293,145
KY	FALL CREEK	30,100	412,675	WAYNE	149,722
KY	HIGHLAND CREEK	104,400	1,310,987	UNION;HENDERSON;WEBSTER	2,101,715
KY	LITTLE AND MIDDLE PI	36,400	756,842	GREEN;TAYLOR	164,278
KY	NORTH FORK NOLIN RIV	34,610	2,787,772	LARUE	709,722
KY	OBION CREEK	206,108	1,708,496	CARLISLE;FULTON;GRAVES;HICKMAN	153,722
KY	PIGEON ROOST CREEK	5,180	1,001,310	JACKSON	1,231,823
KY	RED LICK CREEK	44,660	3,481,093	ESTILL;JACKSON;MADISON	1,160,722
KY	SHORT CREEK	24,300	2,039,700	GRAYSON	143,023



## P.L.566 Projects Currently Underway (cont.)

KY SOUTH FORK OF LITTLE	42,800	111,054	CHRISTIAN;TODD	483,228
KY STEWART CREEK	5,000	3,219,102	HOPKINS	2,676
KY UPPER TRADEWATER RIV	60,000	3,479,745	CHRISTIAN;HOPKINS	20,000
KY WEST FORK OF MAYFIEL	48,000	3,910,595	CARLISLE;GRAVES	1,190,790
LA AVOYELLES-ST. LANDRY	219,400	356,384	AVOYELLES;RAPIDES;ST. LANDRY	202,299
LA BAYOU BONNE IDEE	157,500	7,257,473	MOREHOUSE	20,000
LA BAYOU GROSSE TETE	137,000	4,198,921	POINTE COUPEE	391,671
LA BAYOU MALLET	108,000	1,291,128	ACADIA;EVANGELINE;ST. LANDRY	818,796
LA BAYOU PENCHANT-LAKE	211,500	55,627	TERREBONNE	503,214
LA BAYOU PLAQUEMINE BRU	234,400	6,140,693	ACADIA;ST. LANDRY	1,000,000
LA BELL CITY	61,000	3,517,272	CALCASIEU;CAMERON;JEFFERSON DAVIS	20,000
LA BUNDICK CREEK	207,400	401,647	ALLEN;BEAUREGARD;VERNON	65,871
LA CAMERON-CREOLE	113,000	14,280,777	CAMERON	20,000
LA CHOCTAW BAYOU	110,000	2,268,653	WEST BATON ROUGE;POINTE COUPEE;IBERVILLE	1,000,000
LA COCODRIE-GRAND LOUIS	147,000	395,771	EVANGELINE;ST. LANDRY	209,151
LA CYPRESS-BLACK BAYOU	148,500	10,306,643	BOSSIER	20,000
LA EAST CARROLL	223,700	3,372,072	EAST CARROLL;HADISON	549,949
LA FIFTH WARD	28,900	246,642	ACADIA	470,638
LA LAKE VERRET	246,000	4,673,851	ASCENSION;ASSUMPTION;IBERVILLE	20,000
LA MIDDLE TANGIPAHOA	174,600	211,187	TANGIPAHOA;ST. HELENA	324,491
LA SICILY ISLAND	106,800	50,101	CATAHOULA	204,414
LA UPPER VERMILION BAYO	107,600	100,201	ST. MARTIN;LAFAYETTE;IBERIA	53,640
LA WEST CARROLL	248,900	10,014,862	RICHLAND;WEST CARROLL	839,784
LA WEST FORK BAYOU L'OU	133,900	122,487	LAFORCHE	1,705,354
MA BAITING BROOK	2,182	4,062,526	MIDDLESEX	1,349,743
MA CLAM RIVER	20,065	3,721,870	BERKSHIRE	933,053
MA SU-AS-CO	241,617	9,305,713	MIDDLESEX;WORCESTER	665,000
MA UPPER QUABOGA RIVER	94,301	4,474,354	HAMPDEN;HAMPSHIRE;WORCESTER	1,000,000
MA WASHINGTON MOUNTAIN	5,740	7,643,051	BERKSHIRE	673,654
MD GOLDSBORO	9,250	1,225,546	CAROLINE	35,000
MD LINGANORE CREEK	56,300	1,150,026	FREDERICK;CARROLL	1,391,775
MD SENECA CREEK	82,479	427,978	MONTGOMERY	1,000,000
MD UPPER CHESTER RIVER	90,500	2,341,910	KENT;QUEEN ANNE'S;KENT(DE);NEW CASTLE(DE)	20,000
MD WEST AND RHODE RIVER	16,325	211,623	ANNE ARUNDEL	41,000
ME KENDUSKEAG STREAM	137,600	1,020,232	PENOBSCOT	566,153
ME LONG-CROSS LAKES	104,960	348,608	AROOSTOOK	333,599
ME MEDUXNEAG RIVER	185,000		AROOSTOOK	1,431,000
ME PRESQUE ISLE STREAM	124,000	2,679,082	AROOSTOOK	32,500
MI BARAGA VILLAGE	3,186	248,717	BARAGA	1,015,983
MI BEAN CREEK	129,920	1,908,664	HILLSDALE;LENAWEE	178,864
MI BEAR RIVER	81,000	1,627,510	CHARLEVOIX;EMMET	682,476
MI ELK RIVER	202,060	780,890	ANTRIM;CHARLEVOIX	1,325,199
MI MUD CREEK	35,470		BARRY;EATON;IONIA	903,400
MI ROGUE RIVER	155,760	5,689,775	OTTAWA;NEWAYGO;KENT;MONTCALM;MUSKEGON	20,000
MI SOUTH BRANCH KAWKAWL	66,590	132,443	BAY;MIDLAND;SAGINAW	1,213,466
MN BURNHAM CREEK	104,200	5,068,682	POLK	216,464
MN CANBY CREEK	20,150	6,649,730	LINCOLN;YELLOW MEDICINE	497,665
MN KANARANZI-LITTLE ROC	198,400	1,713,982	NOBLES;ROCK	3,263,876
MN SOUTH ZUMBRO	200,540	16,247,653	DODGE;OLMSTED	4,360,929
MO BIG CREEK-HURRICANE	176,800	2,998,211	CARROLL;LIVINGSTON	6,954,389
MO EAST FORK OF BIG CRE	62,073	5,739,394	HARRISON;DECATUR(IA)	457,744
MO EAST LOCUST CREEK	78,700	2,997,414	PUTNAM;SULLIVAN	2,982,186
MO EAST YELLOW CREEK	122,700		SULLIVAN;LINN;CHARITAN	7,267,900
MO GRASSY CREEK	35,600	1,952,860	LEWIS;MARION	127,818
MO GRINDSTONE-LOST-MUDD	209,100	12,859,071	CLINTON;DAVISS;DE KALB;GENTRY	940,929
MO LITTLE WYACONDA-SUGA	98,958	1,184,539	CLARK;SCOTLAND;LEWIS	568,522
MO LOST CREEK	39,100	4,760,360	NEWTON	1,000,000
MO LOWER LITTLE BLACK (	124,390	1,734,960	BUTLER;RIPLEY;CLAY (AR)	17,393,330
MO MONITEAU CREEK	95,200		BOONE;HOWARD;RANDOLPH	4,199,900
MO MOZINGO CREEK	23,988	5,078,974	NODAWAY	1,125,175
MO TOWN BRANCH	6,745		GENTRY	535,300
MO TROUBLESOME CREEK	89,300	4,127,863	LEWIS;MARION;KNOX	850,669
MO UPPER LITTLE BLACK	124,749	10,396,337	BUTLER;RIPLEY;CARTER	7,675,525
MO UPPER LOCUST CREEK	444,800	965,792	PUTNAM;SULLIVAN;WAYNE(IA);APPANOOSE(IA)	15,199,608
MO WEST FORK OF BIG CRE	187,290	4,250,516	DAVISS;HARRISON;RINGGOLD(IA);DECATUR(IA)	8,776,684
MO WILLOW-CRAVENS	28,102	2,180,731	RAY;LAFAYETTE	2,939,269
MS BAYOU PIERRE	241,229	174,477	COPIAH;LINCOLN	387,500
MS BEARTOWN	690	445,734	PIKE	20,000
MS BIG CREEK	80,012	4,758,030	JASPER;JONES;SMITH	2,491,500
MS BROWNS CREEKS	94,300	242,687	PRENTISS;ITAWAMBA;TISHOMINGO	1,000,000
MS CHUNIKY RIVER	240,650	6,463,453	NEWTON;WESHOBA	1,191,757
MS CHUQUATONCREE CREEK	136,849	3,685,722	CHICKASAW;CLAY;MONROE;PONTOTOC	2,672,654
MS COPIAH CREEK	126,358	1,375,664	COPIAH	842,500
MS DRY CREEK	13,954	772,771	COVINGTON	212,500

## P.L.566 Projects Currently Underway (cont.)

MS	FOURTEEN MILE-BAKERS	162,700	326,734	HINDS	785,500
MS	HOLIDAY CREEK	63,760	786,256	MARION;JEFFERSON DAVIS	212,500
MS	LONG BEACH	10,857	111,434	HARRISON	1,401,066
MS	MANTACHIE; BOGUE FAL	113,585	156,568	ITAWAMBA;LEE;MONROE	1,000,000
MS	MUDDY CREEK	80,795	14,869,111	TIPPAM; HARDEMAN(TN)	212,500
MS	OKATOMA CREEK	179,205	1,025,144	SIMPSON;SMITH;COVINGTON; JONES; FORREST	413,500
MS	RICHLAND CREEK	93,000	20,388,241	RANKIN	212,500
MS	SECOND CREEK	69,056	3,619,047	ADAMS	1,067,926
MS	SOUTH DELTA	223,225	1,254,099	HUMPHREYS;SHARKEY;YAZOO	3,004,045
MS	SOWASHEE CREEK	52,910	7,984,618	LAUDERDALE	5,451,213
MS	STANDING PINE CREEK	36,648	2,746,610	LEAKE;NESHOMA	251,493
MS	TALLAHAGA CREEK	79,320	10,059,170	WINSTON;CHOCTAW;NESHOMA	1,559,570
MS	TOWN CREEK	246,957	11,079,505	LEE;PONTOTOC;PRENTISS;UNION	28,286,141
MS	TUSCUMBIA RIVER	223,146	7,540,415	ALCORN;PRENTISS;MCNAIRY(TN)	9,033,640
MS	UPPER LEAF RIVER	131,580	1,863,039	SMITH;SCOTT	4,357,500
MS	WHITES CREEK	4,680	1,321,628	WEBSTER	20,000
MS	WHITESAND-GREENS CRE	131,260	2,446,665	JEFFERSON DAVIS;LAWRENCE	259,924
MT	LOWER BIRCH CREEK	244,000	5,908,439	PONDERA	1,485,439
MT	HILL CREEK	8,100	2,897,935	PARK	20,000
MT	MUDDY CREEK(NORTHEAS	10,000	624,937	TETON	13,899
MT	PASTURE CREEK	10,950		MCONE	758,333
MT	SAGE CREEK	246,000	352,571	LIBERTY	40,272
MT	THIRTYMILE CREEK	87,000		BLAINE	1,000,000
MT	WOLF CREEK	159,600	362,799	FERGUS;JUDITH BASIN	1,000,000
NC	BIG AND DOUBLE CREEK	48,500	32,217	STOKES;SURRY	562,985
NC	BUFFALO-MUDDY FORK C	73,630	2,040,576	CLEVELAND;GASTON;LINCOLN	1,000,000
NC	CRABTREE CREEK	90,750	11,608,491	DURHAM;WAKE	299,379
NC	DUTCHMAN CREEK	81,500	6,862,437	DAVIE;IREDELL;YADKIN	1,000,000
NC	FISHING CREEK	30,380	60,074	GRANVILLE	1,000,000
NC	INDIAN; HOWARDS AND	84,700	663,600	CATAWBA;GASTON;LINCOLN	597,785
NC	LANES CREEK	80,595	769,173	ANSON;UNION	458,663
NC	LIMESTONE CREEK	41,000	2,954,939	DUPLIN	20,000
NC	LITTLE CONTENTNEA CR	115,155	1,043,537	PITT;GREENE;WILSON;EDGECOMBE	1,000,000
NC	LITTLE YADKIN RIVER	40,000	2,580,132	STOKES;FORSYTH;SURRY	20,000
NC	LOWER LITTLE & SOUTH	102,150		ALEXANDER	765,150
NC	MUDDY CREEK (DUPLIN)	31,000	2,908,860	DUPLIN	20,000
NC	RAMSEUR RESERVOIR	38,434	340,498	RANDOLPH	402,726
NC	RICHARDSON CREEK	174,458	873,833	ANSON;UNION	448,529
NC	SANDY CREEK	9,600		CUMBERLAND	1,000,000
NC	SANDY RUN CREEK	43,980	231,713	CLEVELAND;RUTHERFORD	20,000
NC	SECOND BROAD RIVER	144,300	8,021,435	MCDOWELL;RUTHERFORD;CLEVELAND	393,771
NC	STEWARTS CREEK-LOVIL	72,000	7,415,198	SURRY;CARROLL(VA)	3,515,191
NC	SWAN QUARTER	11,440	2,831,906	HYDE	624,036
NC	TOWN FORK CREEK	84,521	3,858,040	STOKES;FORSYTH	3,560,120
ND	ENGLISH COULEE	73,665	4,269,660	GRAND FORKS	54,821
ND	MIDDLE BRANCH-PARK R	105,600	1,965,915	CAVALIER;PEMBINA;WALSH	3,323,221
ND	MUSKRAT LAKE BASIN	19,910	198,913	MOUNTRAIL	138,584
ND	SQUARE BUTTE CREEK	191,699	2,998,868	OLIVER;MORTON	1,921,964
ND	UPPER TURTLE RIVER	157,825	6,721,086	GRAND FORKS;NELSON	66,993
NE	AOWA CREEK	55,350	4,857,310	DIXON	2,256,974
NE	BALLS BRANCH	18,366	904,711	THAYER;JEFFERSON	20,000
NE	BELLWOOD	51,300	1,244,261	BUTLER	200,256
NE	BLACKWOOD CREEK	187,700	3,897,493	LINCOLN;HITCHCOCK;HAYES;RED WILLOW	185,690
NE	BONE CREEK	46,120	1,234,986	BUTLER	136,065
NE	EAST-WEST-DRY MAPLE	200,100	1,123,906	COLFAX;CUMING;DODGE;PLATTE;STANTON	3,575,682
NE	GERING VALLEY	57,600	6,398,413	SCOTTS BLUFF	989,083
NE	LONG BRANCH	46,905	4,271,288	RICHARDSON;NEMAH;PAWNEE;JOHNSON	20,000
NE	LOWER MEDICINE CREEK	152,700	1,761,851	FRONTIER;LINCOLN	2,473,508
NE	MIDDLE BIG NEMAH	133,300	235,123	JOHNSON;GAGE;PAWNEE	1,852,139
NE	MIDDLE FORK MAPLE CR	48,350	2,472,236	COLFAX;STANTON	402,979
NE	PAPILLION CREEK	245,800	2,944,149	DOUGLAS;SARPY;WASHINGTON	1,374,808
NE	SOUTH BRANCH LITTLE	126,720	4,724,950	LANCASTER;OTOE;JOHNSON	4,273,754
NE	STEVENS-CALLAHAN(CAM	46,482	2,172,936	CASS;LANCASTER	2,055,440
NE	SWAN CREEK	152,300	5,276,128	JEFFERSON;SALINE	1,959,413
NE	TEKAMAH-MUD CREEK	19,080	3,350,319	BURT	522,529
NE	UPPER BIG NEMAH	114,980	6,562,712	GAGE;JOHNSON;LANCASTER;OTOE	241,223
NE	UPPER MEDICINE CREEK	219,140	1,732,531	FRONTIER;HAYES;LINCOLN	1,000,000
NE	WOLF-WILDCAT CREEK	55,960	2,734,244	GAGE;PAWNEE	965,325
NH	DEAD RIVER	10,350	2,125,209	COOS	39,794
NJ	ASSUMPINK CREEK	58,300	33,393,625	MERCER;MONMOUTH	1,349,014
NJ	CLOVE BROOK	12,700	792,732	SUSSEX	227,500

## P.L.566 Projects Currently Underway (cont.)

NJ FURNACE BROOK	4,968	908,439	WARREN	227,500
NJ NAVESINK CREEK	60,000	579,606	MONMOUTH	283,930
NJ UPPER SALEM RIVER	64,000	463,731	SALEM	222,728
NM COTTONWOOD-WALNUT CR	228,326	21,033,778	CHAVES; EDDY	9,152,222
NM EAGLE-TUMBLEWEED DRA	184,400	6,827,020	CHAVES; EDDY	10,241,019
NM ESPANOLA-RIO CHAMA	27,520	70,873	RIO ARRIBA; SANDOVAL	17,272,222
NM LARGO-AGUA FRIA	212,600		CATRON	162,000
NM T OR C WILLIAMSBURG	19,050	9,935,611	SIERRA	8,634,289
NM ZUNI PUEBLO	12,786	294,315	MCKINLEY	15,532,222
NV EAST WALKER	14,820	218,083	LYON	929,426
NY BATAVIA KILL	47,180	3,861,853	GREENE	1,000,000
NY BEAVER BROOK	1,638		HERKIMER	959,200
NY BLIND BROOK (CT)	6,980	15,653	WESTCHESTER; FAIRFIELD (CT)	1,000,000
NY BRANDYWINE CREEK	750	281,353	BROOME	3,016,919
NY CONEWAGO CREEK	190,080	6,260,046	CATTARAUGUS; CHAUTAUGUA	1,000,000
NY CROWLINE CREEK	13,920	1,521,525	ORANGE	1,000,000
NY DEPOSIT CREEK	48,437	6,486,534	BROOME; DELAWARE; CHENANGO	1,000,000
NY DYKE CREEK	46,348	2,406,503	ALLEGANY	1,456,796
NY FLINT CREEK	64,860	5,591,605	ONTARIO; STEUBEN; YATES	1,000,000
NY HIGINBOTHAM BROOK	1,030	829,434	MADISON	1,000,000
NY ISCHUA CREEK	74,900	2,647,716	CATTARAUGUS	1,000,000
NY MILL BROOK	2,960	2,451,002	CHENANGO	3,080,349
NY NANTICOKE CREEK	73,000	5,387,309	BROOME; TIOGA	1,000,000
NY NEWTOWN-HOFFMAN CREE	54,600	10,768,912	SCHUYLER; CHEMUNG	3,192,926
NY OAK ORCHARD CREEK	39,860	3,204,441	GENESEE; ORLEANS	1,000,000
NY OTISCO LAKE	23,844	673,009	ONONDAGA	20,000
NY TOMHANNOK RESERVOIR	42,400	325,419	RENSSELAER	20,000
NY VIRGIL CREEK	25,996	22,287	TOMPKINS; CORTLAND	4,415,213
OH FOUR MILE CREEK	63,330		BUTLER; PREBLE; WAYNE (IN); UNION (IN)	2,136,400
OH KINGS CREEK	27,770	221,388	CHAMPAIGN; LOGAN	304,753
OH NORTH HOCKING RIVER	68,670	663,275	FAIRFIELD	74,277
OH PRAIRIE-HOAGLIN BR.	67,840	5,601,595	PAULDING; VAN WERT	20,000
OH RATTLESNAKE CREEK	177,280	450,382	FAYETTE; HIGHLAND; CLINTON; GREENE; MADISON	1,000,000
OH RUSH CREEK	151,462	22,591,565	FAIRFIELD; HOCKING; PERRY	1,000,000
OH SHORT CREEK	81,280	1,883,504	HARRISON; JEFFERSON	225,300
OH SOUTH FORK LICKING R	180,364	163,759	LICKING; PERRY; FAIRFIELD	208,300
OH UPPER BLANCHARD RIVE	249,600		HANCOCK; HARDIN	688,100
OH UPPER KILLBUCK CREEK	198,400	214,487	WAYNE; MEDINA	1,000,000
OH UPPER MAD RIVER	39,100	390,377	LOGAN; CHAMPAIGN	261,979
OH UPPER TIFFIN	215,040	692,735	FULTON; WILLIAMS; HENRY; HILLSDALE (MI); LENAWEE (MI)	20,000
OH WILLS CREEK	185,600	1,524,996	BELMONT; GUERNSEY; MUSKINGUM; NOBLE	960,300
OK BRUSHY-PEACEABLE CRE	212,192	7,286,026	LATIMER; PITTSBURG	8,707,261
OK CAMBELL CREEK	41,120	58,010	KINGFISHER	1,032,553
OK CARNEY CREEK	16,403	68,200	CHOCTAW	727,553
OK COTTON-COON-MISSION	198,170	5,820,267	WASHINGTON; OSAGE; NOWATA; CHAUTAUGUA (KS)	1,198,692
OK COW CREEK	123,494	9,533,182	JEFFERSON; STEPHENS	3,018,606
OK DEER CREEK	221,730	1,959,155	BLAINE; CADD0; CUSTER; DEWEY	336,092
OK DRY CREEK	115,740	1,095,424	LINCOLN	3,747,941
OK HOYLE CREEK	36,768	240,853	MAJOR	877,217
OK JACK CREEK	45,709	3,158,647	TILLMAN; COMANCHE	1,524,218
OK KICKAPOO NATIONS	165,300	12,231,970	LINCOLN; OKLAHOMA	4,976,833
OK LEADER-MIDDLE CLEAR	107,968	1,871,863	COAL; PONTOTOC	377,553
OK LITTLE BEAVER CREEK	124,201		COMANCHE; COTTON; GRADY; STEPHENS	4,056,553
OK LOST-DUCK CREEKS	55,040	9,169,245	KAY	2,601,431
OK LOWER BAYOU	95,488	6,438,248	CARTER; LOVE	2,294,155
OK LOWER BLACK BEAR CRE	157,683	5,986,700	PAWNEE; PAYNE; NOBLE	2,907,553
OK LOWER CLEAR BOGGY CR	240,301	7,973,328	ATOKA; BRYAN; COAL; JOHNSTON	1,198,669
OK LOWER RED ROCK CREEK	116,582	985,526	NOBLE; PAWNEE	7,032,553
OK LUGERT-ALTUS	46,878	826,126	GREER; JACKSON	2,613,560
OK MCKINNEY BUZZARD	15,980	221,495	MCCURTAIN	952,553
OK NORTH DEER CREEK	30,111	1,812,303	CLEVELAND; OKLAHOMA; POTTAWATOMIE	2,329,831
OK OKFUSKEE TRIBUTARIES	201,575	8,009,354	OKFUSKEE; OKMULGEE; CREEK	2,419,349
OK QUAPAW CREEK	98,560	5,148,753	LINCOLN; POTTAWATOMIE	377,553
OK ROBINSON CREEK	40,320	3,800,243	LINCOLN	1,781,014
OK SALT-CAMP CREEK	73,030	2,493,434	CREEK; LINCOLN	2,423,063
OK SANDY CREEK	147,243	3,878,842	GARVIN; PONTOTOC	379,407
OK STILLWATER CREEK	177,216	11,834,195	LOGAN; NOBLE; PAYNE	4,452,624
OK TRI-COUNTY TURKEY CR	196,400	6,617,900	HARMON; GREER; JACKSON	1,394,934
OK TURKEY CREEK	244,006	123,844	GARFIELD; ALFALFA; MAJOR; KINGFISHER	3,916,553
OK UPPER BAYOU	119,680	3,776,738	CARTER; LOVE	317,792
OK UPPER BLACK BEAR CRE	241,546	11,037,959	GARFIELD; NOBLE; PAWNEE	456,569



## P.L.566 Projects Currently Underway (cont.)

OK UPPER BLUE RIVER	203,100	256,483	ATOKA;BRYAN;JOHNSTON;MURRAY;PONTOTOC	13,462,352
OK UPPER ELK CREEK	248,340	12,495,382	BECKHAM;KIDWA;WASHITA	2,711,074
OK UPPER MUDDY BOGGY CR	207,674	11,007,125	COAL;HUGHES;PITTSBURG;PONTOTOC	2,341,323
OK UPPER RED ROCK CREEK	197,376	7,107,518	GARFIELD;GRANT;KAY;NOBLE	2,738,325
OK WATERFALL-GILFORD CR	43,410	2,309,976	MCCURTAIN	2,537,553
OK WILD HORSE CREEK	30,982		PAYNE	551,450
OR DEADMAN-BULLARD	7,400		LAKE	1,881,900
OR DRY CREEK	32,300	835,646	GILLIAM;MORROW	574,826
OR NORTH POWDER RIVER	117,800	3,193,306	BAKER	1,302,874
OR NORTH SIDE BIG NESTU	1,090	288,871	TILLAMOOK	595,056
OR UPPER STAGE GULCH	19,600	405,398	UMATILLA	991,241
PA BRANDYWINE CREEK	211,200	12,440,324	CHESTER;DELAWARE;LANCASTER;NEW CASTLE(DE)	1,523,841
PA CEDAR RUN	9,600	796,705	CLINTON;CENTRE	213,657
PA CLOVER CREEK	33,280	2,187,804	BLAIR	171,012
PA CROSS CREEK	35,000	9,198,363	WASHINGTON	1,472,635
PA JACOBS CREEK	62,500	2,685,042	FAYETTE;WESTMORELAND	4,385,556
PA LAUREL HILL CREEK	27,500	489,784	SOMERSET	717,276
PA LITTLE SHENANGO RIVE	72,738	12,884,479	CRAWFORD;MERCER	217,646
PA NESHAMINY CREEK	149,000	10,708,020	BUCKS;MONTGOMERY	1,102,556
PA OVEN RUN	6,280		SOMERSET	2,907,000
PA PITCHPINE RUN	1,180		JEFFERSON	1,769,000
PA ROCK CREEK	40,000	380,832	ADAMS	107,051
PA UPPER TIOGA RIVER	99,500		TIOGA;BRADFORD	1,715,556
PA YELLOW CREEK	61,300	769,633	BEDFORD;BLAIR	808,538
PB KAGMAN	3,750		SAIPAN;CNMI	2,854,200
PB TALOFOFO VILLAGE	150		TALOFOFO	104,700
PR ANASCO RIVER	129,128	6,457,855	ADJUNTAS;ANASCO;LARES;LAS MARIAS;MARICAO;MAYAGUEZ	3,122,333
PR GUAYANES RIVER	31,700	3,271,856	YABUCOA	30,454,601
PR TOA VACA LAKE	14,000	249,611	PONCE;JUANA DIAZ;VILLALBA;COAMO;SANTA ISABEL	860,868
RI AQUIDNECK ISLAND	24,100	550,046	NEWPORT	104,898
SC BUSH RIVER-BEAVERDAM	94,480	933,738	LAURENS;NEWBERRY	240,239
SC CANE CREEK	94,721	5,916,028	LANCASTER;UNION(NC)	1,000,000
SC CARTWHEEL COMMUNITY	19,300	581,459	HORRY	20,000
SC FRAZIER PARK	4,350		CHESTER	236,500
SC LITTLE RIVER	80,400	3,364,981	LAURENS	20,000
SC LITTLE SALUDA RIVER	152,700	176,195	SALUDA;EDGEFIELD	286,801
SC NICHOLS	2,140		MARION	322,000
SC NORTH FORK EDISTO	243,440	165,052	LEXINGTON;ORANGEBURG;CALHOUN	178,424
SC NORTHEAST CALHOUN	78,000	775,078	CALHOUN	20,000
SC NORTHWEST CHEROKEE	200,800	434,744	CHEROKEE;CLEVELAND(NC);RUTHERFORD(NC)	138,022
SC OOLEWY RIVER	34,000	2,776,318	PICKENS	433,094
SC PACOLET RIVER	49,120	434,772	SPARTANBURG	135,323
SC PICKENS-ANDERSON	83,190	187,667	PICKENS;ANDERSON	407,426
SC RABON CREEK	85,500	7,082,655	GREENVILLE;LAURENS	20,000
SC RAFTING CREEK	39,835	393,234	LEE;SUMTER	128,094
SC ROCKY CREEK	126,300	1,384,422	CHESTER;FAIRFIELD	1,000,000
SC SALKENHATCHIE RIVER	33,640	1,128,202	FLORENCE	2,555,725
SC SOUTH EDISTO	148,600	316,090	BARNWELL	141,832
SC THOMPSON-WESTFIELD C	88,150	453,554	BAMBERG;BARNWELL	909,280
SC UPPER SAVANNAH	240,580	271,760	CHESTERFIELD;ANSON(NC);UNION(NC)	164,042
SC WALLACE	181,500	668,061	ABBEVILLE;ANDERSON	110,239
SC WEST ORANGEBURG	70,950	474,519	MARLBORO;RICHMOND(NC)	193,051
SC WOODROW	154,670	512,930	AIKEN;ORANGEBURG	320,239
SD UNION CREEK	610	144,350	LEE	723,051
TN BEANS CREEK	30,300	3,267,122	UNION	90,000
TN BEAVER CREEK	53,760	495,007	FRANKLIN;LINCOLN	868,894
TN BIG CREEK	95,450	189,851	FAYETTE;HAYWOOD;SHELBY;TIPTON	401,814
TN BIG LIMESTONE CREEK	98,250	313,390	SHELBY;TIPTON	424,781
TN BIG LIMESTONE CREEK	50,690		GREENE;WASHINGTON	948,600
TN BOGOTA	11,500	1,651,953	DYER;OBION	1,000,000
TN CANE CREEK	57,000	10,281,256	LAUDERDALE	12,403,361
TN CROW CREEK	101,500	1,998,661	FRANKLIN;MARION;JACKSON(AL)	1,000,000
TN HURRICANE CREEK	52,780	2,883,047	DICKSON;HUMPHREYS	3,240,285
TN MADISON-CYPRESS CREE	14,530	485,816	MADISON	452,465
TN MCNAIRY-CYPRESS CREE	109,600	8,256,893	MCNAIRY	4,957,675
TN NORTH FORK WOLF RIVE	78,650	129,878	FAYETTE;HARDEMAN	489,032
TN NORTH FORK-FORKED DE	80,190	2,078,990	GIBSON	1,533,112
TN PINE CREEK	16,800	8,235,786	SCOTT	20,000
TN PORTERS CREEK	44,600	10,234,128	HARDEMAN;BENTON(MS);TIPPAN(MS)	1,000,000
TN PORTLAND	1,920	561,898	SUMNER	837,458
TN RED BOILING SPRINGS	9,650	4,642,149	CLAY;MACON	1,806,273

## P.L.566 Projects Currently Underway (cont.)

TN REELFOOT-INDIAN CREE	82,660	13,362,004	OBION; FULTON (KY)	3,161,146
TN SPRING CREEK	61,400	172,647	WEAKLEY; HENRY; CARROLL	1,203,265
TN SULPHUR FORK CREEK	138,100	243,666	CHEATHAM; MONTGOMERY; ROBERTSON; SUMNER	486,591
TN SWEETWATER CREEK	37,640	8,521,441	LOUDON; MCMINN; MONROE	2,138,071
TN WEATHERFORD-BEAR CREE	32,775	935,830	WAYNE	1,000,000
TN WHITE OAK CREEK	125,000	45,809	CHESTER; HARDIN; HENDERSON; MCNAIRY	709,722
TX AQUILLA-HACKBERRY CR	188,160	7,989,652	HILL; JOHNSON	20,000
TX ATTOTAC BAYOU	213,440	5,122,770	NACOGDOCHES; RUSK; SAN AUGUSTINE; SHELBY	2,662,143
TX BIG CREEK	26,240	854,505	BRAZOS	1,000,000
TX BIG CREEK (DELTA CO.)	22,140	51,325	DELTA	990,452
TX BIG CREEK (TNI-COUNTY)	236,620	203,801	FALLS; LIMESTONE; MCLENNAN	11,598,342
TX CADDO CREEK	134,400	2,831,036	COLLIN; HUNT	1,237,961
TX CANEY CREEK	46,784	1,343,071	FANNIN; GRAYSON	1,152,143
TX CHOCTAW CREEK	168,000	11,426,356	GRAYSON	11,232,952
TX CORNUDAS; NORTH AND	177,600	4,958,878	HUDSPETH; OTERO (NM)	1,162,143
TX DONAHOE CREEK	98,285	1,574,909	BELL; MILAM; WILLIAMSON	1,000,000
TX ECLETO CREEK	170,880	3,129,408	GUADALUPE; WILSON; KARNES; DE WITT	2,035,406
TX ELM CREEK (CEN-TEX)	207,360	13,676,352	BELL; FALLS; MCLENNAN; MILAM	2,057,896
TX ELM CREEK (1250)	238,253	2,679,713	RUNNELS; TAYLOR	8,151,847
TX HITSON; C&L AND WASH	200,000	15,532,974	HUDSPETH	1,237,370
TX LEONA RIVER	110,080	5,694,234	UVALDE	3,562,143
TX LOS OLMOES CREEK	204,470	8,042	STARR; JIM HOGG	1,000,000
TX LOWER AQUILLA-HACKBEE	74,500	274,385	HILL; MCLENNAN	1,418,124
TX LOWER PLUM CREEK	152,900	2,509,501	CALDWELL; HAYS	927,143
TX MILL CREEK	81,280	1,141,195	VAN ZANDT	1,000,000
TX PALUXY RIVER	249,920	17,213,566	ERATH; HOOD; SOMERVELL	2,662,143
TX PINE CREEK	119,040	2,611,290	LAMAR	1,042,143
TX PLUM CREEK	97,000	3,369,290	CALDWELL; HAYS; TRAVIS	1,197,143
TX RED DEER CREEK	211,840	9,183,295	GRAY; HEMPHILL; ROBERTS	13,710,867
TX RUSH CREEK	188,160	5,522,843	COMANCHE; BROWN; EASTLAND	1,000,000
TX SALADO CREEK	139,088	16,815,823	BEXAR	5,233,507
TX SAN DIEGO-ROSITA CREE	222,450	8,808,211	DUVAL; JIM WELLS	1,762,143
TX SULPHUR CREEK (MP)	101,760	445,898	BEE; LIVE OAK; KARNES	1,507,520
TX TEHUACANA CREEK	196,480	6,415,328	HILL; LIMESTONE; MCLENNAN	1,000,000
TX THREE MILE AND SULFE	95,360	8,428,089	CULBERSON; HUDSPETH	1,042,143
TX UPPER LAKE FORK CREE	145,472	4,533,318	HOPKINS; HUNT; RAINS	1,000,000
TX UPPER NORTH BOSQUE R	229,760		ERATH; HAMILTON	1,448,000
TX UPPER SAN MARCOS RIV	60,780	16,291,312	HAYS; COMAL	20,000
UT BLUE CREEK-HOWELL	115,500	6,827,926	BOX ELDER	529,774
UT DRY GULCH-MARTIN LAT	7,625	3,275,670	DUCHESNE; UINTAH	219,510
UT FERROM	191,000	6,215,876	EMERY; SANPETE	1,000,000
UT SAND WASH	20,970	350,573	DUCHESNE	132,422
UT WARNER DRAW	190,500	6,697,486	WASHINGTON	517,340
VA ARARAT RIVER	37,960		PATRICK; CARROLL; SURRY (NC)	5,081,000
VA BUFFALO RIVER	60,500	3,689,943	AMHERST	4,669,938
VA BUSH RIVER	98,772	10,773,395	PRINCE EDWARD	6,597,724
VA CEDAR RUN	65,517	5,494,572	FAUQUIER	5,720,575
VA COPPER CREEK	85,300	1,947,180	RUSSELL; SCOTT	1,102,624
VA CRIPPLE CREEK	79,560	1,466,439	SMYTH; WYTHE	1,614,142
VA GREAT CREEK	29,754	4,434,325	BRUNSWICK; LUNENBURG	354,844
VA HAYS CREEK	49,000	1,059,861	AUGUSTA; ROCKBRIDGE	835,437
VA LICK CREEK	5,650		RUSSELL; DICKENSON; WISE	1,000,000
VA LOONEY-MILL CREEK	19,500	1,202,801	BOTETOURT	290,478
VA PAMUNKEY RIVER	107,000	445,600	KING WILLIAM	1,228,969
VA SANDY CREEK	63,316	1,019,219	PITTSYLVANIA; HALIFAX	20,000
VA SLATE RIVER	98,730	4,094,516	BUCKINGHAM	2,092,651
VA THREE CREEK	26,374	256,972	WASHINGTON	89,439
VA UPPER APPOMATTOX RIV	200,826	1,047,686	APPOMATTOX; BUCKINGHAM; CUMBERLAND; PRINCE EDWARD	20,000
VA UPPER CLINCH VALLEY	36,846	2,499,029	TAZEWELL	20,000
VA WATKINS BRANCH	2,202		BUCHANAN	354,938
VT BARTON AND CLYDE RIV	202,240	1,180,294	ORLEANS; CALEDONIA; ESSEX	1,196,736
VT BLACK RIVER	85,800	1,659,534	ORLEANS; LAMOILLE	513,623
VT LAPLATE RIVER	36,740	2,988,833	CHITTENDEN	171,429
VT LEMON FAIR RIVER	56,800	1,126,423	ADDISON; RUTLAND	358,579
VT LOWER LAMOILLE RIVER	249,200		CHITTENDEN; FRANKLIN; LAMOILLE	738,265
VT LOWER LAKE CHAMPLAIN	80,420		CHITTENDEN; ADDISON; RUTLAND	451,429
VT LOWER OTTER AND DEAD	67,600	2,907,225	ADDISON	71,807
VT LOWER WINDOSKI RIVER	142,200	816,430	CHITTENDEN; ADDISON	92,410
VT UPPER CASTLETON RIVE	20,500	1,589,771	RUTLAND	1,000,000
WA EAST SIDE GREEN RIVE	73,090	12,705,532	KING	9,109,828
WA EAST WENATCHEE	5,860	92,024	DOUGLAS	486,000

## P.L.566 Projects Currently Underway (cont.)

WA MARSHLAND	14,006	4,119,622	SNOHOMISH	2,799,056
WA NEWAUKUM	18,660	1,171,733	KING	709,487
WA NORTH PINE-SPRING VA	29,959	1,664,578	SPOKANE	1,101,041
WA PLEASANT VALLEY CREE	28,609	2,231,032	WHITMAN	477,074
WA REBEL FLAT CREEK	50,940	2,112,327	WHITMAN	1,071,794
WA TENMILE CREEK	22,590		WHATCOM	2,027,900
WA TUCANNON RIVER	210,307	256,326	COLUMBIA;GARFIELD	1,859,674
WA WEST SIDE GREEN RIVE	29,025	2,189,673	KING	6,548,849
WI PINE RIVER	159,200	9,613,798	RICHLAND;VERNON	6,759,160
WI UPPER SUGAR RIVER	110,940	430,998	DANE	250,000
WI UPPER WEST BRANCH OF	49,436	1,077,143	IOWA;GRANT;LAFAYETTE	250,000
WV BRUSH CREEK	22,293	5,553,549	MERCER	1,443,733
WV ELK TWOMILE CREEK	8,450	1,641,470	KANAWHA	8,889,566
WV HARMON CREEK	24,350	13,566,997	BROOKE;HANCOCK;WASHINGTON(PA)	1,000,000
WV HEADWATERS OF INDIAN	26,230	732,365	MONROE	2,127,031
WV HOWARD CREEK	58,300	402,179	GREENBRIER	20,000
WV LITTLE WHITESTICK-CR	9,295	629,343	RALEIGH	7,488,711
WV MIDDLE GRAVE CREEK	18,900	2,017,299	MARSHALL	20,000
WV MILL CREEK	123,250	14,558,347	JACKSON;ROANE	11,058,619
WV OPEQUON	215,680	1,147,092	BERKELEY;JEFFERSON;FREDERICK(VA);CLARKE(VA)	2,043,116
WV PINEY CREEK-SOAK CRE	3,690	10,214,096	RALEIGH	1,000,000
WV POCATALICO RIVER BAS	231,000	8,524,604	ROANE;KANAWHA;PUTNAM;JACKSON	1,000,000
WV TETER CREEK	34,200	392,802	BARBOUR;TUCKER	1,851,347
WV TRIBUTARY OF EVITTS	951	5,367,174	JEFFERSON	7,686,542
WV UPPER BUFFALO CREEK	45,914	9,428,984	MARTIN	15,479,348
WV UPPER MUD RIVER	61,590	12,309,825	LINCOLN;BOONE	1,373,189
WV WHEELING CREEK	191,180	44,026,828	OHIO;MARSHALL;GREENE(PA);WASHINGTON(PA)	459,806
WY ALLISON DRAW	11,500		LARAMIE	3,427,000



## Emergency Watershed Projects Currently Underway

State	Date Authorized	Class (1) Work	Project Name	Total Est. Cost	Scheduled Completion
AK	11-09-93	NE	Noatak	\$70,000	
AL	11-29-93	NE	Monroe County	45,000	
AR	11-24-93	NE	'90 Storm	2,500	
CA	11-01-93	NE	Santa Barbara County	228,500	06-05-94
CA	01-25-94	E	Glenallen Fire	34,000	
CA	11-04-93	E	Topanga, Malibu Fire	3,700,000	12-06-93
CA	12-06-93	E	Topanga, Malibu Fire	3,300,000	
CA	01-27-94	E	Marre/Wheel Fires	18,000	
CA	01-25-94	E	LA Earthquake		
CO	11-01-93	NE	Snowmelt '93	2,000	
CO	12-06-93	NE	Snowmelt '93	480,000	
CT	02-28-94	NE	Windham County	244,000	10-03-94
FL	11-10-93	E	Dixie, Taylor Counties	85,000	
IA	11-17-93	E	'93 Flood	4,150,000	
IA	12-06-93	E	'93 Flood	2,500,000	
IL	10-29-93	E	'93 Flood	3,550,000	
IL	11-17-93	E	'93 Flood	2,150,000	
IL	12-06-93	E	'93 Flood	1,000,000	
IL	01-31-94	E	Cave Township	15,000	03-09-94
IN	11-09-93	E	Town of Cloverdale	38,000	12-20-93
KY	02-28-94	E	Harrison County	95,000	04-11-94
KS	11-17-93	E	'93 Flood	1,400,000	
KS	12-06-93	E	'93 Flood	1,300,000	
ME	11-09-93	NE	April Storm	270,000	06-18-94
MO	11-17-93	E	'93 Flood	3,000,000	
MO	12-06-93	E	'93 Flood	100,000	
MS	12-15-93	NE	9 Northern Counties	2,500,000	07-21-94
MS	02-28-94	NE	Adams, Amite, etc.	845,000	10-03-94
MS	02-28-94	NE	Natchez, Silver, Bri.	1,100,000	10-03-94
MS	02-28-94	NE	Homochitto NF	10,000	10-03-94
OK	11-10-93	E	10 Counties	275,000	12-20-93
OK	02-28-94	E	Logan, Coal, OK Counties	595,000	04-05-94
OK	02-28-94	E	Grady, Garvin, McCl. Counties	344,000	04-11-94
PB	11-29-93	NE	American Samoa	100,000	
PR	11-24-93	NE		110,000	
PR	11-29-93	NE	City of Ponce	429,000	
TN	11-10-93	E	Sequatchie County	25,000	12-20-93
TX	02-28-94	NE	Walker County	40,000	10-03-94
VA	02-28-94	E	Big Stone, Damascus Counties	103,000	04-11-94
VT	11-24-93		Montgomery, Jay Counties	14,200	
WV	12-01-93		Upper South Branch	224,000	
WV	12-15-93	NE	Tygart Valley	2,000,000	07-21-94
WV	02-16-94	E	Wayne County	5,000	03-28-94
TOTAL				\$36,496,200	

(1) - E = Exigency; NE = Nonexigency.

## ECONOMIC/ENVIRONMENTAL BENEFIT ANALYSIS

Mr. DURBIN. Have any economic and/or environmental benefit analysis been done on these projects? If so, what were the results?

Mr. JOHNSON. Yes, these projects were planned under the National Principles and Guidelines and in full compliance with the National Environmental Policy Act. All of the projects produce benefits in excess of their cost.

## HISTORY OF EMERGENCY WATERSHED PROGRAM

Mr. DURBIN. Please update the table that appears on page 227 of last year's hearing record showing the funding history of the Emergency Watershed Program to include fiscal year 1993 actuals and fiscal year 1994 estimates.

Mr. JOHNSON. I will provide for the record a table that shows a history of the Emergency Watershed Protection program budget authority, outlays, and unexpended balance for fiscal years 1981 thru 1994.

[The information follows:]

## EMERGENCY WATERSHED PROGRAM

[In thousands of dollars]

Fiscal year	Budget authority	Outlays	Unobligated balance
81 .....	10,000	14,583	8,763
82 .....	10,000	9,395	6,478
83 .....	22,500	15,362	12,981
84 .....	22,000	17,547	15,713
85 .....	5,000	19,912	4,822
86 .....	79,732	39,903	34,625
87 .....	14,755	46,116	10,385
88 .....	13,500	26,980	11,719
89 .....	10,000	24,318	6,695
90 .....	94,855	58,426	33,817
91 .....	20,000	65,462	14,036
92 .....	70,028	30,870	7,821
93 .....	73,144	64,429	8,715
94 <sup>1</sup> .....	372,973	339,295	33,678

<sup>1</sup> Estimated.

## STATUS OF EMERGENCY WATERSHED PROGRAM

Mr. DURBIN. What is the status of this account in terms of obligations in fiscal year 1994 and pending requests? Provide a list of funding for fiscal year 1993 and pending requests to date.

Mr. JOHNSON. A list of obligations for 1993, requests for 1994, and obligations to date for 1994 will be provided for the record.

[The information follows:]

SOIL CONSERVATION SERVICE  
EMERGENCY WATERSHED PROTECTION PROGRAM  
OBLIGATIONS AND PENDING REQUESTS  
THROUGH FEBRUARY 28, 1994

STATE	1993 Total EWP Obligations	1994 EWP Obligations Thru Feb. 28, 1994	1994 Pending Requests
Alabama	\$22,924	\$13,927	
Alaska	2,750,379	70,000	\$1,000,000
Arizona	5,300,254	176,904	
Arkansas	81,780	(12,831)	
California	1,168,944	\$7,108,021	7,000,000
Colorado	30,805	159,178	600,000
Connecticut	224,672		500,000
Florida	17,478,691	57,552	500,000
Hawaii	828,145		500,000
Idaho	980,916		
Illinois	2,306,437	6,335,383	8,400,000
Indiana	20,173	30,315	
Iowa	2,193,985	6,348,172	61,000,000
Kansas	192,531	2,241,281	11,100,000
Kentucky	1,535,487	(99)	
Louisiana	10,572,846	(7,966)	
Maine	30,049	10,850	
Michigan	(18,387)		
Minnesota	54,470	80,741	2,300,000
Mississippi	6,404,790	2,988,475	5,000,000
Missouri	814,405	3,117,063	48,300,000
Montana	4,000	(1,818)	
Nebraska	78,616	244,023	2,000,000
Nevada	114,729		
New Hampshire	249		
New Jersey	226,373		
New Mexico	805,101	(231)	
New York	838,364	(1,380)	
North Carolina	1,929,244		
North Dakota	119,267	609,994	1,200,000
Ohio	175,702		
Oklahoma	1,701,944	268,136	
Oregon	(33,838)		
Pacific Pasin	43,000	4,943	
Puerto Rico	4,194,338	422,642	
South Carolina	871,338	(6,436)	
South Dakota	58,327	1,173,675	10,000,000
Tennessee	209,110	22,876	
Texas	7,782,686	5,256	3,500,000
Utah	151,694		
Vermont	171,289	4,569	
Virginia	576,592	22,232	
Washington	19,630		
West Virginia	2,399,073	270,694	500,000
Wisconsin	229,116	660,567	700,000
Wyoming	3,676		
Subtotal to States	75,643,916	32,416,708	164,100,000
Program Support	1,864,768	1,330,916	
Forest Service	2,498,311	(*)	
Subtotal to Others	4,363,079	1,330,916	0
Total Allocations	\$80,006,995	\$33,747,624	\$164,100,000

(\*) - 1994 Forest Service information not available.



# PENDING REQUESTS FOR EXIGENCY/NON-EXIGENCY WORK

Mr. DURBIN. Of the pending requests on hand, what amount is for exigency work and what is for non-exigency work?

Mr. JOHNSON. Of the \$164 million in pending requests, about \$72 million is considered exigency work.

## NEW SMALL WATERSHED PROJECTS

Mr. DURBIN. Please provide a list of all new small watershed construction projects started in fiscal year 1993 and those planned to start in fiscal year 1994. Include the Federal and non-Federal cost of each project.

Mr. JOHNSON. I will provide a list of the new projects approved in fiscal year 1993 and fiscal year 1994 together with the Federal and non-Federal cost for the record.

[The information follows:]

### P.L. 83-566 PROJECTS APPROVED FOR OPERATIONS IN FISCAL YEAR 1993

State	Watershed name	Federal cost	Non-Federal cost
FL	Northeast middle Suwannee River .....	2,030,000	770,000
FL	Northwest middle Suwannee River .....	1,837,500	686,000
FL	Southeast middle Suwannee River .....	1,160,600	438,200
FL	Southwest middle Suwannee River .....	1,481,200	554,400
GA	Days Crossroads community .....	126,000	37,000
GA	Five Points area .....	2,303,138	1,105,736
HI	Lahaina .....	4,742,300	1,647,300
ID	Bedrock Creek .....	288,250	1,585,350
ME	Meduxnekeag River .....	1,431,000	2,214,800
MI	Mud Creek .....	903,400	634,600
MO	East Yellow Creek .....	7,267,900	2,194,500
MO	Moniteau Creek .....	4,199,900	1,149,500
MO	Town Branch .....	535,300	770,200
NC	Lower Little and South Yadkin .....	765,150	382,080
OH	Four Mile Creek .....	2,136,400	833,200
OH	Upper Blanchard River .....	688,100	267,500
OR	Deadman-Bullard .....	1,881,900	102,500
PA	Pitchpine Run .....	1,769,000	188,000
PB	Talofofo Village .....	104,700	52,300
TN	Big Limestone Creek .....	948,600	309,000
TX	Upper North Bosque River .....	1,448,000	602,400
VA	Ararat River .....	5,081,000	258,000
VT	Lower Lamoille River .....	738,265	2,460,884
WA	Tenmile Creek .....	2,027,900	1,501,900

### P.L. 83-566 PROJECTS APPROVED FOR OPERATIONS IN FISCAL YEAR 1994

State	Watershed name	Federal cost	Non-Federal cost
AR	Gould portion of Grady-Gould .....	695,200	301,700
CA	Indian Creek .....	680,000	390,000
NM	Largo-Agua Fria .....	162,000	549,650
NY	Beaver Brook .....	959,200	59,700
PA	Oven Run .....	2,907,000	2,280,000
PB	Kagman .....	2,854,200	2,073,200
SC	Nichols .....	322,000	55,000
WY	Allison Draw .....	3,427,000	2,938,300

## GREAT PLAINS CONSERVATION PROGRAM

Mr. DURBIN. How long has the Great Plains Conservation Program been in existence and what has been accomplished to date?

Mr. JOHNSON. The Great Plains Conservation Program was authorized in 1956 and the first contract was written in 1958. The program has installed whole farm resource management systems on over 154 million acres of farm and ranch land in the 10 Great Plains states.

Mr. DURBIN. Is this program still needed? Can the benefits be achieved through other conservation programs?

Mr. JOHNSON. Yes, we believe the program is still needed. There are approximately 294 million acres of cropland, pastureland and rangeland still needing some type of conservation treatment in the Great Plains. GPCP is the only program available that applies conservation treatment based on a whole farm or ranch resource management system.

Mr. DURBIN. How much in Federal dollars and how much in non-Federal dollars has been available to the program since it began?

Mr. JOHNSON. Through the end of fiscal year 1993, a total of \$658 million has been appropriated during the 35 years of GPCP operation. Approximately \$428 million went directly into cost share and \$230 million into "on the ground" technical assistance for practice installation and contract administration. It is estimated that about \$218 million of non-Federal dollars have gone into the program.

Mr. DURBIN. Provide a table showing the number of contracts signed, the acreage involved, and both the Federal and non-Federal cost share for each State in the program for fiscal year 1993.

Mr. JOHNSON. We will provide a table for the record showing the number of contracts signed, acreages involved and amount of Federal cost share for the 1993 contracts for each state in the program. The amount of non-Federal cost share (farmer or rancher contribution) is not collected. However, we estimate from the GPCP program evaluation that farmer and rancher contribution to the total cost of installing the required conservation treatment is over 51% or a total of approximately \$8.5 million.

[The information follows:]

#### GREAT PLAINS CONSERVATION PROGRAM

State	New contracts 1993		
	No. contracts	No. acres	Federal cost share
Colorado .....	66	288,527	1,503,941
Kansas .....	187	104,634	1,743,173
Montana .....	70	401,160	1,694,764
Nebraska .....	122	179,352	1,466,080
New Mexico .....	38	394,742	892,582
North Dakota .....	97	177,083	1,158,766
Oklahoma .....	139	79,485	1,257,608
South Dakota .....	93	350,873	1,449,171
Texas .....	269	408,709	4,505,386
Wyoming .....	48	442,136	1,038,111
Total .....	1,129	2,826,701	16,709,582

#### RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

Mr. DURBIN. For the Resource Conservation and Development Program, RC&D, you propose to eliminate all financial assistance funds provided to local sponsors. Mr. Bridge testified at last year's

hearing that data collected on the 1,400 projects completed in fiscal year 1992 showed that for every RC&D dollar spent, \$20 from other Federal sources and \$87 from non-Federal sources was obtained. There are not many Federal programs out there that can leverage these amounts. What do you think the impact to the program will be if you eliminate this financial assistance? Will participation drop off to a point where we don't need to fund it at all?

Mr. JOHNSON. While it is true that the RC&D program is able to use small amounts of Federal funds to leverage other sources of funds, the most important use of funds for this program is to provide a full time coordinator to assist the local council. An impact of cutting financial assistance funds will be to reduce the amount of leveraged funds available, but with a full time coordinator, the reduction will be tolerable. It will require more time to find funding from other sources. RC&D functions to facilitate, attract, and coordinate project funding and is not geared to provide all the funds.

Mr. DURBIN. You also propose to reduce the amount available for technical assistance, yet you anticipate an increase in the number of adopted project plans and areas authorized to participate in the program in fiscal year 1995. How do you explain this?

Mr. JOHNSON. First, we expect the number of RC&D areas to remain at the current level of 275 for fiscal year 1995. No new areas will be authorized in 1995. The 25 new areas authorized in fiscal year 1994 will begin their operations by adopting a number of projects that will show up in fiscal year 1995. Second, while the amount of technical assistance will be reduced somewhat, the adjustments will be made by delaying or eliminating some purchases or other staff assistance rather than reducing the number of coordinators who are primarily responsible for stimulating new project plans with local councils.

Mr. DURBIN. Please update the table that appears on page 195 of last year's hearing record showing the amount of Federal and non-Federal funds devoted to cost sharing, and the amount of Federal and non-Federal funds provided for technical assistance to reflect fiscal year 1993 actuals and fiscal year 1994 estimates.

Mr. JOHNSON. I will update the table as requested for the record. [The information follows:]

#### RC&D FEDERAL AND NON-FEDERAL ASSISTANCE

Year	Financial federal	Technical federal	Non-federal assistance
1984 .....	\$9,445,821	\$16,492,404	( <sup>1</sup> )
1985 .....	8,740,000	17,524,707	( <sup>1</sup> )
1986 .....	8,085,568	17,453,268	( <sup>1</sup> )
1987 .....	6,536,078	17,918,918	( <sup>1</sup> )
1988 .....	5,300,853	19,233,164	\$65,975,000
1989 .....	4,620,811	20,559,546	( <sup>1</sup> )
1990 .....	4,200,061	23,145,385	108,073,000
1991 .....	3,947,428	24,339,421	160,465,000
1992 .....	2,234,289	31,383,945	131,132,000
1993 .....	2,048,298	30,795,181	111,338,000
1994 <sup>2</sup> .....		26,157,000	56,700,000

<sup>1</sup> Information not available.

<sup>2</sup> Estimated.

Mr. DURBIN. Also, update the table on the next page showing the number of RC&D projects that were initiated, completed, and those



ongoing to include fiscal year 1993 actuals and fiscal year 1994 estimates.

Mr. JOHNSON. I will provide that list for the record as well.  
[The information follows:]

#### RC&D MEASURES ADOPTED, PLANNED, AND COMPLETED

Year	Adopted	Planned	Completed
1983 .....	1,754	329	1,522
1984 .....	2,215	438	1,500
1985 .....	1,392	123	1,103
1986 .....	1,602	58	1,053
1987 .....	1,487	77	1,188
1988 .....	1,647	53	1,303
1989 .....	1,178	347	661
1990 .....	1,642	1,114	1,251
1991 .....	1,919	1,314	1,303
1992 .....	2,381	1,762	1,417
1993 .....	2,382	1,765	1,691

#### RESOURCE CONSERVATION AND DEVELOPMENT APPLICATIONS

Mr. DURBIN. Provide a list of the applications you had on-hand at the beginning of 1994.

Mr. JOHNSON. I will provide that list for the record.  
[The information follows:]

#### RC&D APPLICATIONS ON HAND 10/1/93

State	Application name	State	Application name
Alaska .....	Yukon Flats	New York .....	Ontario Lake Plns
Alaska .....	KEDC	North Carolina .....	So. Cent. Piedmont
Alaska .....	Kenai	North Carolina .....	Unifour
Florida .....	Central Florida	North Carolina .....	Cape Fear
Georgia .....	Golden Triangle	North Carolina .....	Pilot View
Georgia .....	Two Rivers	Ohio .....	Western Reserve
Idaho .....	Southwest Idaho	Oklahoma .....	High Plains
Idaho .....	Mid-Snake	Pennsylvania .....	Mid-State
Illinois .....	Post Oak Flats	Pennsylvania .....	Capital
Illinois .....	Wabash Valley	Pennsylvania .....	Southeastern PA
Iowa .....	Iowa Lakes	South Carolina .....	Pee Dee
Iowa .....	Iowa Heartland	South Dakota .....	Badlands
Iowa .....	Limestone Bluffs	South Dakota .....	South Central
Kentucky .....	Gateway	Tennessee .....	Appalachian-N. TN
Kentucky .....	Kentucky River	Texas .....	Chisholm Trail
Kentucky .....	Lincoln	Texas .....	High Plains
Kentucky .....	Thoroughbred	Texas .....	WES-TEX
Kentucky .....	Eagle	Texas .....	Central Texas
Louisiana .....	Imperial Calcasieu	Texas .....	Chihuahuan Desert
Maryland .....	Western Maryland	Texas .....	Concho Valley
Michigan .....	Timberland	Texas .....	Hill Country
Mississippi .....	North Central Miss	Texas .....	Pecos Valley
Missouri .....	Platte Territory	Texas .....	Bluebonnet
Montana .....	North Central Montana	Texas .....	Rio Grande-Nueces
Nebraska .....	Five Rivers	Texas .....	Sabine—Neches
Nebraska .....	Southwest Nebraska	Utah .....	Mountainland
Nebraska .....	Nebraska Loess Hills	Utah .....	Wasatch Front
Nebraska .....	South Central Nebraska	Virginia .....	Black Diamond
New Hampshire .....	Southern New Hampshire	Wyoming .....	Historic Trails
New York .....	Hudson Mohawk	Puerto Rico .....	Oriente

## APPROVAL OF NEW RC&amp;D AREAS

Mr. DURBIN. Provide a list of applications that were approved during fiscal year 1993 and so far in fiscal year 1994.

Mr. JOHNSON. I will provide that list for the record.

[The information follows:]

State	RC&D area name
Fiscal year 1993:	
Alabama .....	Gulf Coast
California .....	ORE-CAL
Georgia .....	Seven Rivers
Missouri .....	Osage Valley
Missouri .....	Prairie Rose
Montana .....	Northwest Montana
Nebraska .....	Loup Basin
Nebraska .....	Northeast Nebraska
New Mexico .....	Adelante
North Dakota .....	Upper Dakota
North Dakota .....	Williston Basin
Oregon .....	Southwest Oregon
Puerto Rico .....	El Atlantico
Washington .....	Upper Columbia
Fiscal year 1994 to date:	
Alaska .....	KEDC
Alaska .....	Yukon Flats
California .....	Trinity
Florida .....	Central Florida
Georgia .....	Golden Triangle
Georgia .....	Two Rivers
Idaho .....	Southwest
Iowa .....	Iowa Heartland
Iowa .....	Limestone Bluffs
Kentucky .....	Kentucky River
Kentucky .....	Lincoln
Louisiana .....	Imperial Calcasieu
Maryland .....	Western Maryland
Michigan .....	Timberland
Mississippi .....	North Central
Nebraska .....	Southwest Nebraska
North Carolina .....	Cape Fear
Pennsylvania .....	Mid-State
South Carolina .....	Pee-Dee
South Dakota .....	Badlands
South Dakota .....	South Central
Tennessee .....	Appalachian-Northeast
Texas .....	Central Texas
Texas .....	Wes-Tex
Virginia .....	Black Diamond

## RESOURCE CONSERVATION AND DEVELOPMENT LOANS

Mr. DURBIN. You provide funds to Farmers Home to service loans made to sponsors from the Agricultural Credit Insurance Fund, ACIF. With the establishment of the RDA, is this still the case?

Mr. JOHNSON. Yes, the ACIF still remains with Farmers Home. The RDA and Farmers Home have a formal agreement concerning the administration and servicing of these loans. This arrangement has not caused any problems or difficulties to date with the administration or servicing of the loans.

Mr. DURBIN. Are there any current outstanding RC&D loans? How long have they been outstanding and what is their total value?

Mr. JOHNSON. There are currently 103 RC&D loans outstanding. The first loans were made in 1965. The total value of loans currently outstanding is \$7,050,000.

Mr. DURBIN. You say that some of these loans have been outstanding since 1965. What are you doing to collect on these loans?

Mr. JOHNSON. These loans are serviced by the Rural Development Administration. Some currently outstanding loans were made in 1965 for periods of 30 years and are therefore not in default. In cases of default, RDA's established procedures are to work with borrowers to bring the loan current. If these efforts fail, other servicing options include amortization, sale of the security, transfer of the assets and assumption of the debt, or foreclosure.

#### RESOURCE CONSERVATION AND DEVELOPMENT CARRYOVER BALANCES

Mr. DURBIN. You show an unobligated carryover balance for RC&D in fiscal year 1994 of \$2.3 million. Would you please explain the reason for this carryover of funds.

Mr. JOHNSON. We distribute the funds Congress provides to SCS State Conservationists and charge them with managing the RC&D program. In order for a state to provide enough funds for larger projects, funds may be carried over into the next year as unobligated carryover. This money will be added to the funds of the new year to accomplish the local council's project or projects.

#### WATER QUALITY

Mr. DURBIN. Please update the table that appears on page 199 of last year's hearing record showing the funding level of water quality initiatives to reflect fiscal year 1993 actuals and fiscal year 1995 estimates.

Mr. JOHNSON. I will provide that information for the record.  
[The information follows:]

#### FUNDING FOR THE PRESIDENTIAL WATER QUALITY INITIATIVE FISCAL YEARS 1990-95

[In millions of dollars]

Activity	Fiscal year				Estimated	
	1990	1991	1992	1993	1994	1995
Technology development .....	4.9	7.5	7.6	7.6	7.9	7.9
Regional projects .....	6.7	7.9	8.3	8.3	9.8	10.5
Hydrologic areas .....	5.2	15.7	16.3	10.4	10.0	8.8
Demonstration areas .....	1.1	4.4	4.6	4.6	4.0	4.0
Ongoing projects .....	8.6	8.6	8.8	13.9	16.3	15.8
Total .....	26.5	44.1	45.6	44.8	48.0	47.0

Mr. DURBIN. Were any new hydrologic units designated in fiscal year 1993? Are any planned for fiscal year 1994?

Mr. JOHNSON. There were no new hydrologic units designated in fiscal year 1993 and none are planned in fiscal year 1994.

Mr. DURBIN. Please update the table that appears on page 203 of last year's hearing record showing the regional project allocations to include actuals and fiscal year 1995 estimates.



Mr. JOHNSON. I will provide an updated table for the record.  
[The information follows:]

#### REGIONAL PROJECT ALLOCATIONS, FISCAL YEARS 1992-95

[Dollars in thousands]

Regional project	Allocations				Staff years			
	1992	1993	1994	1995	1992	1993	1994	1995
Chesapeake Bay .....	\$4,500	\$4,500	\$4,750	\$4,750	61	61	64	64
Gulf of Mexico .....	300	250	370	370	8	5	8	8
Land and water .....	760	800	800	750	18	18	18	18
Great Lakes .....	705	980	1,235	1,235	16	16	16	16
Other regional authorities .....	1,605	1,770	3,695	2,895	37	44	54	54
Total .....	7,900	8,300	10,800	10,000	140	144	160	160

#### PARTICIPATION IN INTERNATIONAL PROGRAMS

Mr. DURBIN. How many international technical assignments were completed during fiscal year 1993 and in what countries?

Mr. JOHNSON. During FY 1993, the Soil Conservation Service participated in 235 technical assignments in 45 foreign countries for a variety of purposes. Forty four employees traveled to 20 countries to provide direct technical assistance. Twenty-eight employees traveled to 35 countries for scientific and technical exchanges. One hundred sixty-three employees participated in international and professional society meetings in 23 countries.

Mr. DURBIN. For the record, provide a list of those countries where assistance was provided in fiscal year 1993 and those planned for fiscal years 1994 and 1995.

Mr. JOHNSON. We will provide a list of countries where technical assistance was provided during FY 1993 and planned for FY 1994 and FY 1995 for the record.

[The information follows:]

#### TECHNICAL ASSISTANCE TO FOREIGN COUNTRIES

Provided—1993

Planned—1994 and 1995

Algeria  
Australia  
Bolivia  
Brazil  
Bulgaria  
Chile  
China  
Denmark  
Egypt  
Ethiopia  
Germany  
India  
Indonesia  
Israel  
Kenya  
Mexico  
Mongolia  
Netherlands  
New Zealand  
Nigeria  
Peru  
Philippines  
Russia

Albania  
Argentina  
Armenia  
Australia  
Austria  
Bolivia  
Botswana  
Canada  
Chile  
China  
Costa Rica  
Czechoslovakia  
Estonia  
France  
Germany  
Greece  
Hungary  
Indonesia  
Italy  
Jamaica  
Kenya  
Malawi  
Mexico

## TECHNICAL ASSISTANCE TO FOREIGN COUNTRIES—Continued

Provided—1993	Planned—1994 and 1995
Taiwan	Netherlands
Thailand	New Zealand
The Gambia	Philippines
Venezuela	Romania
Zimbabwe	Russia
	Slovakia
	Taiwan
	Ukraine
	United Kingdom
	Zambia

## COST OF INTERNATIONAL TECHNICAL ASSISTANCE

Mr. DURBIN. Also, provide a five year table showing the total cost to SCS to provide this assistance and the amount reimbursed by other agencies or organizations.

Mr. JOHNSON. We will provide a list of the total direct and indirect costs and the reimbursements for Soil Conservation Service technical assistance from FY 1989 through FY 1993 for the record. [The information follows:]

## COST OF INTERNATIONAL TECHNICAL ASSISTANCE

[In thousands of dollars]

Fiscal year	Total cost	Reimbursed
1989 .....	\$1,142	\$1,142
1990 .....	960	960
1991 .....	783	783
1992 .....	870	870
1993 .....	1,034	1,034
Totals .....	\$4,789	\$4,789

## FARMERS HOME LOANS MADE

Mr. DURBIN. Each year the Committee provides loan authority for the small watershed program as part of the Farmers Home loan program. Last year you provided a table for the record showing the loan authority level and the number of loans made for fiscal years 1987 through 1992. Would you please update this table to include fiscal year 1993.

Mr. JOHNSON. No loans were obligated in 1993. We will provide a table for the record.

[The information follows:]

## RURAL DEVELOPMENT ADMINISTRATION LOANS FOR THE SMALL WATERSHED PROGRAM

Year	Loan authority	No. of loans	Dollar amount
1987 .....	\$7,900,000	1	\$148,200
1988 .....	7,900,000	0	0
1989 .....	7,900,000	0	0
1990 .....	4,000,000	2	2,649,000
1991 .....	4,000,000	0	0
1992 .....	4,000,000	2	502,000
1993 .....	4,000,000	0	0

## NEED TO CONTINUE LOAN AUTHORITY

Mr. DURBIN. What is the need to continue this loan authority?

Mr. JOHNSON. The loans were made to provide the local sponsors with resources to meet their financial commitments for project implementation in a timely manner. There has been a gradual shift away from large structural projects toward smaller watershed protection projects and consequently the need for these loans has been significantly reduced. Obviously, the need to continue this loan authority is questionable. However, when it is needed, it provides a valuable service.

## RURAL ABANDONED MINE PROGRAM

Mr. DURBIN. Describe the Rural Abandoned Mine Program and tell us how it is funded.

Mr. JOHNSON. The Rural Abandoned Mine Program—RAMP—is authorized by Section 406, of Title IV of the Surface Mining Control and Reclamation Act of 1977 as amended by the Abandoned Mine Reclamation Act of 1990 and The Energy Policy Act of 1992. It is authorized for the purpose of reclaiming the soil and water resources of rural lands adversely affected by past coal mining practices. There were approximately 1.1 million acres of abandoned coal mined land needing reclamation in 1977.

The program provides technical and financial assistance to land users who voluntarily enter into 5–10 year contracts for the reclamation of up to 320 acres of eligible abandoned coal mined lands and waters. A reclamation plan is prepared by the land user with SCS's technical assistance. The plan outlines and schedules what will be done to reclaim the land and the amount of cost share assistance.

All active coal mine operators pay into the Abandoned Mine Reclamation Fund at a rate of 35 cents per ton of coal produced from surface mining and 15 cents per ton or coal produced by underground mining. The fees are deposited in the interest-bearing Fund which is used to pay reclamation costs of Abandoned Mined Land projects. Expenditures from the Fund are authorized through the regular congressional budgetary and appropriations process.

Approximately \$240 million is being deposited each year and the 1990 amendments to the act required that 10 percent of the total collections be earmarked for RAMP. As of the close of fiscal year 1993 this fund exceeded \$69 million unappropriated and at the level of only \$13.5 million annual appropriations the fund will continue to increase at a rate of \$10 million annually.

The annual appropriations for RAMP funding is included in the Department of Interior's Office of Surface Mining annual budget and transferred to the Department of Agriculture's Soil Conservation Service.



## OBJECT CLASS 41 DECREASE

Mr. DURBIN. Object class 41, Grants, Subsidies, and Contributions, decreases from \$87.1 million in fiscal year 1994 to \$2.0 million in fiscal year 1995. What is the reason for this decrease?

Mr. JOHNSON. The Watershed and Flood Prevention Program makes up the bulk of the total spending for SCS in object class 41. This program will be phased out beginning in the last quarter of FY 1994. All financial assistance funding, including object class 41, will be eliminated and all but \$25 million for technical assistance will be eliminated from this program in FY 1995. Technical assistance will be provided to those projects that can continue installation using non-Federal funding.

## PUBLIC AFFAIRS FUNDING LEVEL

Mr. DURBIN. SCS has an Office of Public Affairs separate from the Department's office. Provide a table showing the funding level of this office, in both dollars and FTEs, for fiscal years 1990 through 1994.

Mr. JOHNSON. The information will be provided for the record.  
[The information follows:]

## SCS PUBLIC AFFAIRS OFFICE FUNDING AND STAFFING LEVELS

(Dollars in thousands)

	1990	1991	1992	1993	1994
Funding .....	\$2,364	\$2,084	\$2,436	\$1,875	\$1,997
FTE's .....	42	45	45	42	41

## LIAISON POSITIONS

Mr. DURBIN. You also have several liaison positions established with the Environmental Protection Agency, State environmental agencies, and others. Provide a list of all liaison positions you have including where they are located and the cost of each.

Mr. JOHNSON. I will provide the requested list for the record.  
[The information follows:]

# SOIL CONSERVATION SERVICE LIAISON POSITIONS

STATE	NAME	AGENCY	LOCATION	SCS COST
ALABAMA	JACOB J. KUHN III	TENNESSEE VALLEY AUTHORITY	MUSCLE SHOALS	\$70,000
ARIZONA	JANET HALL	DEPARTMENT OF ENV. QUALITY	PHOENIX	35,000
ARKANSAS	BURTHEL TOMAS	UNIVERSITY OF ARKANSAS	PINE BLUFF	14,000
ARKANSAS	SUZANNE PUGH	DELTA SERVICE CORP	LITTLE ROCK	26,000
ARKANSAS	PAUL BROWN	WINROCK INTERNATIONAL	MORRILTOWN	34,000
CALIFORNIA	DENIS NICKEL	ENVIRONMENTAL PROTECTION AGENCY	SAN FRANCISCO	55,000
COLORADO	KENNETH A. PITNEY	BUREAU OF RECLAMATION	LAKEWOOD	86,000
COLORADO	DANIEL L. MERKEL	ENVIRONMENTAL PROTECTION AGENCY	DENVER	52,000
COLORADO	LAURIE FISHER	STATE SOIL CONSERVATION BOARD	DENVER	13,000
COLORADO	RANDY H. MUNDEL	SOIL CONSERVATION DISTRICT	MEEKER	45,000
DIST. OF COLUMBIA	PHIL CHRISTENSEN	ENVIRONMENTAL PROTECTION AGENCY	WASHINGTON	90,000
FLORIDA	DARRELL JOHNSON	FLORIDA A&M UNIVERSITY	TALLAHASSEE	64,000
FLORIDA	DAVID HINSON	ASSOC. OF CONSERVATION DISTRICTS	TALLAHASSEE	73,000
FLORIDA	MARK GATES	ENVIRONMENTAL PROTECTION AGENCY	ATLANTA	55,000
GEORGIA	SHIRLEY NAKAMURA	DEPARTMENT OF HEALTH	HONOLULU	0
HAWAII	LARRY SHINSHIRO	DEPT. HAWAIIAN HOME LANDS	HONOLULU	30,000
HAWAII	RALPH SWIFT	SOIL CONSERVATION COMMISSION	SALMON	8,000
IDAHO	MIKE HOFFMAN	SOIL CONSERVATION COMMISSION	ORFINO	38,000
IDAHO	CRAI ROMARY	SOIL CONSERVATION COMMISSION	IDAHO FALLS	38,000
IDAHO	SHELLY ILLMORE	SOIL CONSERVATION COMMISSION	MOSCOM	38,000
IDAHO	ZENA COOKE	SOIL CONSERVATION COMMISSION	BUHL	38,000
ILLINOIS	ROMY MYSKA	EPA GREAT LAKES PROGRAM	CHICAGO	45,000
ILLINOIS	DAVID RAH	ARMY CORPS OF ENGINEERS	ST LOUIS MO.	10,000
ILLINOIS	MARYLN SCHAFER	ARMY CORPS OF ENGINEERS	ROCK ISLAND	7,000
ILLINOIS	DANIEL LAWSON	EPA GREAT LAKES PROGRAM	CHICAGO	45,000
INDIANA	JOHN C. TIPPIE	DEPARTMENT OF ENVIRONMENTAL MGT.	INDIANAPOLIS	35,000
IOWA	BARB STEWART	DEPARTMENT OF NATURAL RESOURCES	DES MOINES	39,000
KANSAS	MARTIN W. BURCH	ENVIRONMENTAL PROTECTION AGENCY	KANSAS CITY	65,000
KENTUCKY	JAMES H. MARCUM II	DIVISION OF CONSERVATION	FRANKFORT	58,000
LOUISIANA	WAYNE R. TALBOT	DEPT. OF NATURAL RESOURCES	BATON ROUGE	5,300
LOUISIANA	DAVID M. SOILEAU	DEPT. OF NATURAL RESOURCES	BATON ROUGE	0
MINNESOTA	PATRICK CORRIGAN	MN POLLUTION CONTROL AGENCY	ST. PAUL	26,000
MISSOURI	JANES C. REMLEY	ARMY CORPS OF ENGINEERS	KANSAS CITY	18,000

STATE	NAME	AGENCY	LOCATION	SCS COST
MARYLAND	MIKE PERMENTER	EPA-CHESAPEAKE BAY OFFICE	ANNAPOLIS	73,000
MARYLAND	RUSS MADER	EPA-CHESAPEAKE BAY OFFICE	ANNAPOLIS	59,000
MARYLAND	JIM HANNAWALD	EPA-CHESAPEAKE BAY OFFICE	ANNAPOLIS	13,000
MASSACHUSETTS	CARL HUTCHERSON	ENVIRONMENTAL PROTECTION AGENCY	BOSTON	45,000
MASSACHUSETTS	MARC MCQUEEN	COASTAL ZONE MANAGEMENT	BOSTON	64,000
MASSACHUSETTS	BERNADETTE TABER	COASTAL ZONE MANAGEMENT	MARION	31,000
MICHIGAN	GARY RINKENBERGER	DEPT. OF NATURAL RESOURCES	LANSING	2,000
MISSISSIPPI	BENNIE F. HUTCHINS	DEPT. OF FISHERIES AND PARKS	GULFPORT	30,000
MISSISSIPPI	THOMAS T. KIRKPATRICK	DEPT. OF HEALTH	JACKSON	0
MISSISSIPPI	PAUL B. RODRIGUE	DEPT. OF ENVIRONMENTAL QUALITY	JACKSON	30,000
MISSISSIPPI	KEN BLAN	EPA-GULF OF MEXICO	STENNIS SPACE CTR.	90,000
MONTANA	LEX RIGGLE	DEPT. OF NATURAL RESOURCES	HELENA	22,000
MONTANA	WARREN KELLOG	WATER QUALITY BUREAU	HELENA	25,000
NEBRASKA	THOMAS HUFORD	ARMY CORPS OF ENGINEERS	OMAHA	29,000
NEBRASKA	PAUL D. SMITH	NATURAL RESOURCES COMMISSION	LINCOLN	29,000
NEBRASKA	MARYLIN STEPHENSON	DEPT. OF ENVIRONMENTAL CONS.	ALBANY	16,000
NEW YORK	MARC USHER	DEPT. OF ENVIRONMENTAL CONS.	ALBANY	20,000
NEW YORK	DOUGLAS GILLETTE	DEPT. OF ENVIRONMENTAL CONS.	AVON	15,000
NEW YORK	CAROL CASE	DEPT. OF ENVIRONMENTAL CONS.	ALBANY	18,000
NEW YORK	ROBERT DIBBLE	DEPT. OF ENVIRONMENTAL CONS.	TARRYTOWN	15,000
NEW YORK	MALCOLM HENNING	ENVIRONMENTAL PROTECTION AGENCY	NEW YORK CITY	15,000
NEW YORK	ROBERT HALBOHN	DELAWARE CONSERVATION DISTRICT	WALTON	0
NEW YORK	RICHARD LEWIS	DELAWARE CONSERVATION DISTRICT	WALTON	0
NEW YORK	JOHN KICK	DEPT. OF ENVIRONMENTAL CONS.	SHOKAN	32,000
NEW YORK	WES BERRY	NATURE CONSERVANCY	COLUMBUS	32,000
OHIO	DENNIS DEWEESH	OHIO EPA	COLUMBUS	5,000
OHIO	JAMES HENLEY	CONSERVATION COMMISSION	OKLAHOMA CITY	28,000
OKLAHOMA	BRUCE NEWTON	EPA LIAISON TO SCS WNTC	PORTLAND	86,000
OREGON	LEE BENTZ	DEPT. OF AGRICULTURE	HARRISBURG	0
PENNSYLVANIA	BARRY FRANTZ	ASSOC. OF CONSERVATION DIST.	HARRISBURG	30,000
PENNSYLVANIA	SAM YOUNG	ENVIRONMENTAL PROTECTION AGENCY	BLOOMSBURG	0
PENNSYLVANIA	FRED SUFFIAN	ENVIRONMENTAL PROTECTION AGENCY	PHILADELPHIA	55,000
PENNSYLVANIA	ED SCHWILLE	SOUTHEAST EGG & POULTRY ASSN	CHATTANOOGA	90,000
TENNESSEE	JERRY GRISWOLD	ENVIRONMENTAL PROTECTION AGENCY	DALLAS	45,000
TEXAS	DELWIN L. CANNON	PRAIRIE VIEW A&M UNIVERSITY	PRAIRIE VIEW	47,000
TEXAS	OLIVER P. DeARMAN	TEXAS WATER COMMISSION	AUSTIN	35,000
TEXAS	VIRGIL HELM	ENVIRONMENTAL PROTECTION AGENCY	DALLAS	31,000



STATE	NAME	AGENCY	LOCATION	SCS COST
UTAH	GERALD JORGENSEN	DEPT. OF NATURAL RESOURCES	SALT LAKE CITY	25,000
SOUTH DAKOTA	LEONARD P. KUCK	DEPT. OF NATURAL RESOURCES	PIERRE	33,000
WASHINGTON	KATHLEEN KILLIAN	ENVIRONMENTAL PROTECTION AGENCY	SEATTLE	55,000
WASHINGTON	ALLEN ZULAUF	DEPT. OF ENVIRONMENT	OLYMPIA	46,000
WISCONSIN	DOUG KNOX	UNIV. OF WISCONSIN FARM-A-SYST	MADISON	96,000
WISCONSIN	DON BALOUN	DEPT. OF NATURAL RESOURCES	MADISON	30,000
WYOMING	JAMES L. SWARTZ	DEPT. OF AGRICULTURE	CHEYENNE	42,000
TOTAL				<u>\$2,774,300</u>

## USDA 1890 LIAISON OFFICERS

STATE	NAME	INSTITUTION	LOCATION
ALABAMA	CLIFFORD E. JONES	TUSKEGEE UNIVERSITY	TUSKEGEE
ALABAMA	DELLA STRETY-WILHOIT	ALABAMA A&M UNIVERSITY	NORMAL
ARKANSAS	GEORGE RICHARDSON	UNIV. OF ARKANSAS	PINE BLUFF
DELAWARE	MEDIAN VIDRINE	DELAWARE STATE UNIVERSITY	DOVER
FLORIDA	ROZIER CREW	FLORIDA A&M UNIVERSITY	TALLAHASSEE
GEORGIA	VACANT	FORT VALLEY STATE COLLEGE	FORT VALLEY
KENTUCKY	JOHN H. JONES	KENTUCKY STATE UNIVERSITY	FRANKFORT
LOUISIANA	SERIAL KENERSON	SOUTHERN UNIVERSITY	BATON ROUGE
MARYLAND	LONELY B. STEWART	UNIVERSITY OF MARYLAND	PRINCESS ANNE
MISSISSIPPI	CLIFTON E. PETERS	ALCONR STATE UNIVERSITY	LORMAN
MISSOURI	DONALD CASE	LINCOLN UNIVERSITY	JEFFERSON CITY
NORTH CAROLINA	ELVIS GRAVES	A&T STATE UNIVERSITY	GREENSBORO
OKLAHOMA	MARVIN COOKS	LANGSTON UNIVERSITY	LANGSTON
SOUTH CAROLINA	JAMES WILLIAMS	SOUTH CAROLINA STATE	ORANGEBURG
TENNESSEE	WILL A. NESBY	TENNESSEE STATE UNIVERSITY	NASHVILLE
TEXAS	HORACE HODGE	PRAIRIE VIEW A&M UNIVERSITY	PRAIRIE VIEW
VIRGINIA	EUGENE CARNETTE JR.	VIRGINIA STATE UNIVERSITY	PETERSBURG

# GRAZING LANDS CONSERVATION INITIATIVE

Mr. DURBIN. How much did you spend in fiscal year 1993 and how much do you anticipate spending in fiscal year 1994 on the grazing lands conservation initiative?

Mr. JOHNSON. The Soil Conservation Service spent approximately \$200,000 in fiscal year 1993, and we anticipate a similar expenditure in 1994 for the grazing land conservation initiative. This level of commitment allows us to provide one full-time national coordinator for the initiative and four part time regional coordinators. They have assisted the national and state level coalitions in identifying grazing land resource needs that were statistically valid and developing planning strategies that were ecologically and technically sound.

## SOIL CONSERVATION SERVICE FISCAL YEAR 1995 BUDGET HISTORY

Mr. DURBIN. What was your budget request to the Secretary; what was the Secretary's request to OMB; and what was the OMB allowance?

Mr. JOHNSON. We will provide that information for the record.  
[The information follows:]

## SOIL CONSERVATION SERVICE—FISCAL YEAR 1995 HISTORY TABLE

[In thousands of dollars]

	Agency estimate	Department estimate	President's budget
Conservation operations:			
Technical assistance .....	665,588	536,851	549,876
Soil surveys .....	95,005	78,120	75,258
Snow surveys .....	7,781	5,778	5,756
Operation of plant materials centers .....	8,085	8,775	8,745
Total, conservation operations .....	776,459	629,524	639,635
River basin surveys and investigations .....	15,860	11,000	11,000
Watershed planning .....	10,367	7,400	7,400
Watershed and flood prevention operations:			
Flood prevention operations—PL-534 .....	41,797	20,400	0
Emergency watershed operations .....	23,666	10,000	0
Watershed operations—PL-566 .....	177,424	122,500	25,000
Total watershed and flood prevention .....	242,887	152,900	25,000
Great Plains Conservation Program .....	25,495	25,980	10,937
Resource conservation and development .....	32,724	26,282	26,157
Subtotal, appropriated funds .....	1,103,792	853,086	720,129
Rural Abandoned Mine Program .....	(13,385)	(13,385)	(0)
Trust funds .....	447	447	447
Total, Soil Conservation Service .....	1,104,239	853,533	720,576

Mr. DURBIN. I want to let my colleagues ask some questions at this point, but before I do I want to thank your agency for detailing Kalven Trice to give us a helping hand. We are learning a lot from him, and I hope he is learning something from us in the process.

Jim Walsh.

Mr. WALSH. Thank you, Mr. Chairman, and welcome, all of you, today, and thank you for your testimony.

Mr. Chairman, I've got a list of questions here that Mr. Skeen would like to enter for the record.

Mr. DURBIN. Without objection.

Mr. WALSH. He's on his way. I think he will probably be here before we finish, but if he doesn't I would like to enter these questions and have them responded to.

Mr. DURBIN. Without objection.

#### WATERSHED AND FLOOD PREVENTION OPERATIONS

Mr. WALSH. Thank you. I'm very concerned about the elimination of the Watershed and Flood Protection program. I would suggest that we may not need that tripling of wetland reserve funds if we eliminate the flood protection and watershed protection. We may have all the wetlands we need without having to purchase any additional ones.

How will you administratively deal with the \$163 million or \$193 million cut in operations for watershed and flood prevention?

Mr. JOHNSON. How will we deal with the cuts in it?

Mr. WALSH. Yes.

Mr. JOHNSON. Well, we're going to have to start perhaps the last quarter of this fiscal year in starting to phase down and phase out that watershed program, and as I mentioned earlier, we will stop taking new requests for it. We will have to take a good look at the projects that are out there right now, and make sure that we make what money we do have available to stretch through to phase-down of those projects.

It's not an easy decision. It's a very difficult one for us to deal with.

Mr. WALSH. The Chairman asked the questions about the 595 projects that will be abandoned. One of the things that we hear about all the time here is unfunded mandates that we place upon states and localities.

This in effect becomes one. Although it's not a mandate, it's certainly an unfunded burden that if the localities and the states feel these projects are important, they're going to have to come up with the money for those. They have no place else to go really.

Mr. JOHNSON. That's correct, except they are not mandates first of all. These were requests.

Mr. WALSH. I understand that, and I clarified that by saying but they are unfunded burdens.

Mr. JOHNSON. Yes, they are, but we are taking a good look at many of these projects too, and many of the projects that have been on the books for a number of years may not be necessary today. I think people who were involved with them early on would suggest that that's the case.

So when you look at the total number of projects, we need to take a good look at them. We need to evaluate them. We need to determine which ones we should carry forward, if the funds become available to do so.



Mr. WALSH. Would it be possible for you to submit those project locations for the record?

Mr. JOHNSON. Yes, we would be happy to do so.

[The information follows:]

## P.L.566 Projects Currently Underway

St	Name	Acre	Oblig	County	Future Obligation
AL	BEAR CREEK-SOUTHEAST	12,900	388,647	GENEVA;HOUSTON	637,453
AL	BEAR-CAINE CREEKS	27,200	339,210	DALLAS;PERRY	20,000
AL	BIG NANCE CREEK	118,925	2,641,099	LAWRENCE	1,304,101
AL	BUCK CREEK	13,900	2,629,467	COVINGTON	20,000
AL	CAMP BRANCH	25,000	887,721	DALE;HOUSTON	326,221
AL	CHANDLER MOUNTAIN	7,040	1,114,388	ST. CLAIR	38,912
AL	CHOCOLOCOCO CREEK	240,600	6,343,993	CALHOUN;CLAY;CLEBURNE;TALLADEGA	775,207
AL	CYPRESS CREEK (TN)	135,360	2,681,309	LAUDERDALE;WAYNE (TN)	49,286
AL	DRY CREEK	25,920	871,306	MARENGO	684,994
AL	DYNNIE CREEK	16,600	2,071,553	CLEBURNE	661,747
AL	FACTORY CREEK	51,600	1,742,975	SUMTER	171,825
AL	HARRISON MILL-PANTHE	29,200	1,517,455	HOUSTON;GENEVA;DALE	25,395
AL	KELLY-PRESTON MILL C	15,500	904,230	DALE	573,470
AL	MEMPHIS-NOKUBEE	94,200	26,212	PICKENS;SUMTER	542,288
AL	MUSH CREEK	38,726	2,987,011	DALLAS;LOWNDES	20,840
AL	PATES CREEK	12,100	382,379	HOUSTON;GENEVA	976,921
AL	POWELL CREEK	42,350	2,509,779	HALE;MARENGO	20,000
AL	SHORT-SCARNAM CREEKS	144,800	129,582	MARSHALL;DEKALB;ETOWAH	3,554,918
AL	SOUTH SAUTY CREEK	112,700	18,691	JACKSON;MARSHALL;DEKALB	2,900,209
AL	TALLASEEHATCHIE CREE	131,077	16,469,186	CLAY;TALLADEGA	20,000
AL	TOWN CREEK	161,000	2,591,062	COLBERT;FRANKLIN;LAWRENCE	2,831,138
AL	TOWN CREEK-DEKALB	143,300	105,434	MARSHALL;DEKALB	2,815,666
AL	WHITEWATER CREEK	164,600	805,124	PIKE;COFFEE	1,632,076
AL	WILKERSON CREEK	23,400	3,481,709	COFFEE;DALE;GENEVA	499,691
AR	BIG SLOUGH	70,160	528,640	CLAY;GREENE	20,000
AR	BOYDSVILLE	31,561	9,619	CLAY	98,941
AR	CEDAR-PINEY CREEKS	27,040	3,112,537	YELL	170,223
AR	CROW CREEK	17,324	354,446	ST. FRANCIS	345,701
AR	DUCK CREEK	10,831	202,293	LOWNOKE;PRAIRIE	214,828
AR	DUNN CREEK	23,540	204,919	LOWNOKE;PRAIRIE	1,143,875
AR	FLAT ROCK CREEK	18,952	8,316,938	CRAWFORD	2,024,334
AR	FOURCHE CREEK	190,400	11,715,973	RANDOLPH;RIPLEY(MO)	574,020
AR	GOULD PORTION OF GRA	12,312		DESHA;LINCOLN	695,200
AR	LITTLE RED RIVER	80,681	1,878,940	WHITE	1,756,260
AR	NORTH FORK OF OZAM C	46,434	3,713,997	HEMPSTEAD;HOWARD;PIKE	711,044
AR	OZAM CREEKS	63,618	4,410,291	HEMPSTEAD	6,412,081
AR	PLUM BAYOU(FLAT BAYO	21,037	2,127,538	JEFFERSON	140,941
AR	POINSETT	51,326	11,531,519	CRAIGHHEAD;POINSETT	6,382,766
AR	SOUTH FORK	44,851	4,089,169	MONTGOMERY	1,378,935
AR	SOUTH FOURCHE	248,990	10,113,443	PERRY;YELL;SALINE;GARLAND	1,034,734
AR	UPPER PETIT JEAN	211,620	5,156,311	LOGAN;SCOTT;SEBASTIAN	5,933,089
AR	UPPER TRI-COUNTY	95,893	3,402,262	INDEPENDENCE;LAWRENCE;SHARP	1,000,000
AR	YOCONA-SPYBUCK	45,432	972,371	ST. FRANCIS;LEE	20,000
AZ	APACHE JUNCTION-GILB	89,983	7,902,342	MARICOPA;PINAL	1,433,177
AZ	BUCKHORN-MESA	69,172	18,619,045	MARICOPA;PINAL	5,970,221
AZ	ELOY	20,700	2,291,452	PINAL	3,394,680
AZ	HARQUAHALA VALLEY	239,360	22,829,497	MARICOPA;YUMA	1,782,600
AZ	NEW MAGMA	27,600	899,118	MARICOPA;PINAL	20,000
AZ	WILLIAMS-CHANDLER	136,775	35,839,720	MARICOPA;PINAL	3,177,778
AZ	YUMA MESA	33,000	481,752	YUMA	137,246
CA	BEARDSLEY	20,500	29,292,522	VENTURA	6,127,478
CA	CARPINTERIA VALLEY	15,700	15,596,073	SANTA BARBARA	2,277,778
CA	CENTRAL SONOMA	50,000	11,621,415	SONOMA	1,382,592
CA	GULL CREEK	4,030	1,327,021	ALAMEDA;CONTRA COSTA	1,321,179
CA	INDIAN CREEK	217,500		PLUMAS	680,000
CA	LOWER LLAGAS CREEK	19,200	23,632,120	SANTA CLARA	3,968,272
CA	LOWER SILVER CREEK	27,700	1,214,132	SANTA CLARA	11,877,778
CA	MARSH-KELLOGG CREEK	116,420	5,276,058	ALAMEDA;CONTRA COSTA	1,377,778
CA	TEHACHAPI	32,420	16,047,864	KERN	1,414,691
CA	UPPER LLAGAS CREEK	35,000	720,546	SANTA CLARA	5,377,778
CA	UPPER STONY CREEK	243,200	1,324,343	COLUSA;GLENN;LAKE	200,557
CA	WOODLAKE-ANTELOPE VA	17,900	1,547,566	TULARE	1,805,967
CO	SHAVANO VALLEY	35,200	479,554	MONTROSE	2,891,744
CO	SPRING CREEK	56,985	123,762	LARIMER;WELD;LARAMIE(WY)	20,000
CO	TRINIDAD LAKE NORTH	111,100	321,700	LAS ANIMAS	847,200
CO	WOLF CREEK-HIGHLANDS	110,870	554,272	PROWERS	434,000
CT	AVERY BROOK	1,664	2,775,817	HARTFORD	905,904
CT	FARM BROOK	2,930	1,805,595	NEW HAVEN	247,156
CT	MILL-HORSE BROOK	11,230	516,289	WINDHAM;NEW LONDON	1,836,745

## P.L.566 Projects Currently Underway (cont.)

CT NORWALK RIVER	20,310	1,316,214	FAIRFIELD	3,860,444
CT SOUTH BRANCH PARK RI	30,080	28,314,616	HARTFORD	1,097,358
CT YANTIC RIVER	61,400	1,779,265	NEW LONDON;TOLLAND	2,777,878
DE INDIAN RIVER BAY	117,000	1,346,300	SUSSEX	240,982
DE LOVE CREEK	12,765	20,668	SUSSEX	1,000,000
DE MARSHYHOPE CREEK	100,600	9,474,803	KENT;SUSSEX;CAROLINE(MD);DORCHESTER(MD)	1,000,000
DE UPPER CHOPTANK RIVER	57,000	10,586,096	KENT;CAROLINE(MD);QUEEN ANNES(MD)	26,138
FL AUCILLA RIVER	148,880	916,046	JEFFERSON;BROOKS(GA);THOMAS(GA)	317,929
FL EAST PITTMAN CREEK	17,600	1,439,355	HOLMES	66,454
FL NORTH EAST MIDDLE SU	213,400		SUWANNEE	2,030,000
FL NORTH WEST MIDDLE SU	72,000		LAFAYETTE	1,837,500
FL POND CREEK	164,000	2,246,263	SANTA ROSA	258,143
FL SOUTH EAST MIDDLE SU	149,300		SUWANNEE	1,160,600
FL SOUTH WEST MIDDLE SU	93,000		LAFAYETTE	1,481,200
FL SPRING CREEK	50,770	1,186,303	JACKSON;HOUSTON(AL)	626,817
FL UPPER SHOAL RIVER	79,560	1,418,567	WALTON	145,761
FL WEST FORK COLDWATER	49,800	638,227	SANTA ROSA	78,336
GA BEAVER CREEK	26,070	1,723,828	MACON	182,862
GA BEAVERDAM CREEK	68,149	1,357,295	ELBERT;FRANKLIN;HART	6,391,538
GA BIG CEDAR CREEK	133,205	6,513,814	POLK;FLOYD	5,932,102
GA CASON BRANCH-DUHART	57,000	364,720	JEFFERSON;GLASCOCK	184,430
GA DAYS CROSSROADS COMM	410		CLAY	126,000
GA FIVE POINTS AREA	48,480		DOOLY;HOUSTON;MACON	2,303,138
GA HORSE CREEK	100,600	217,244	TELFAR;DODGE	344,430
GA HUDSON RIVER	126,510	3,078,159	BANKS;FRANKLIN;MADISON	1,928,719
GA LITTLE CREEK	82,579	697,571	WHEELER;LAURENS	1,550,538
GA LITTLE RIVER	146,200	1,003,875	TIFT;TURNER;WORTH;COLQUITT	609,099
GA LITTLE SANDY CREEK &	27,276	4,694,603	CLARKE;JACKSON;MADISON	387,499
GA LOWER LITTLE TALLAPO	133,218	7,584,991	CARROLL;HARALSON;HEARD	8,111,538
GA MIDDLE FORK BROAD RI	50,829	1,067,041	BANKS;FRANKLIN;HABERSHAM;STEPHENS	3,535,538
GA MIDDLE OCOOEE-WALNUT	91,700	3,069,574	HALL;JACKSON	11,731,538
GA NORTH OCOOEE RIVER	57,345	491,242	HALL;JACKSON	12,979,181
GA PISCOLA CREEK	96,500		BROOKS;THOMAS	2,564,469
GA SALLAGOA CREEK AREA	76,600	4,154,514	BARTON;CHEROKEE;PICKENS;GORDON	5,456,538
GA SHOAL CREEK	48,640	1,171,571	MARION	155,997
GA SOQUE	84,055	2,933,640	HABERSHAM	8,271,538
GA SOUTH FORK OF BROAD	92,990	1,567,180	CLARKE;MADISON;OGLETHORPE	4,731,544
GA TESNATEE CREEK	45,194	2,771,849	LUMPKIN;WHITE	5,863,538
GA TURKEY CREEK	35,000	104,476	DOOLY;HOUSTON	369,999
GA UPPER FIFTEEN-MILE C	33,600	76,493	EMANUEL;JENKINS	219,687
GA UPPER MULBERRY RIVER	61,481	1,876,497	BARROW;GWINNETT;HALL;JACKSON	5,559,550
HI HONOLUA	24,800	11,228,158	MAUI	4,992,491
HI KAHALU	4,420	16,459,226	HONOLULU	3,265,552
HI LAHAINA	5,250		MAUI	4,742,300
HI WAILUKA-ALENAIO	167,000	1,257,027	HAWAII	4,478,333
HI WAIMANALO	6,132	2,657,818	HONOLULU	2,252,770
HI WAIKOA-PAALUO	143,900	122,936	HAWAII	2,005,397
IA A&T LONG BRANCH	16,362	901,276	TAYLOR;ADAMS	1,072,917
IA BADGER CREEK	34,346	4,927,911	DALLAS;MADISON;WARREN	57,436
IA BLOCKTON	18,720	1,636,773	RINGGOLD;TAYLOR	20,000
IA HACKLEBARNEY	44,850	1,619,435	MONTGOMERY;ADAMS	359,598
IA INDIAN CREEK-VAN BUR	47,200	3,827,887	VAN BUREN;CLARK(MO)	10,317
IA LITTLE RIVER	66,000	3,772,952	DECATUR	50,572
IA LONG BRANCH	20,030	601,150	SHELBY;AUDUBON	958,710
IA MILL CREEK	51,900	576,209	PAGE;NODAWAY(MO)	20,000
IA MILL-PICAYUNE CREEK	62,994	10,739,833	CRAWFORD;HARRISON;SHELBY	2,853,037
IA MOSQUITO OF HARRISON	24,510	4,424,898	HARRISON;SHELBY	2,237,951
IA NORTH PIGEON	4,510	2,986,548	POTTAWATTAMIE	109,503
IA SIMON RUN	4,150	838,068	POTTAWATTAMIE	53,895
IA SOAP CREEK	162,000	1,758,295	APPANOOSE;DAVIS;MONROE;WAPELLO	194,902
IA THREE MILE CREEK	37,320	2,235,405	ADAIR;UNION	2,023,666
IA TROUBESOME CREEK	83,100	7,619,980	AUDUBON;CASS;GUTHRIE	3,491,290
IA TURKEY CREEK	86,121	3,885,289	ADAIR;AUDUBON;CASS;GUTHRIE	3,326,774
IA TWELVE MILE CREEK	50,030	3,579,683	ADAIR;RINGGOLD;UNION	1,924,000
IA TWIN PONIES	21,640	621,353	POTTAWATTAMIE;MILLS	710
IA WAUBONSIE CREEK	29,510	6,496,683	MILLS;FREMONT	75,893
ID BEDROCK CREEK	41,915	54,185	CLEARWATER;NEZ PERCE	234,065
ID BRUNDAGE	44,107	2,246,420	ADAMS	20,000
ID HAZELTON BUTTE	14,700	751,973	JEROME	17,241
ID LOWER SAND CREEK	47,950	313,504	BONNEVILLE;BINGHAM	20,000



## P.L.566 Projects Currently Underway (cont.)

ID	MISSION-LAPWAI CREEK	85,870	33,483	LEWIS;NEZ PERCE	21,333
ID	ROCK CREEK-BIG CANYO	53,500	493,485	POWER	20,000
ID	ROCK CREEK-HOUTZ/OUT	67,750	494,838	POWER	4,976
ID	ROCK CREEK-ROY EAST	30,912	530,866	POWER	2,231
ID	ROCK CREEK-SUBLETT	36,200	967,896	POWER	9,819
ID	ROCK CREEK-SUMMIT	31,000	293,727	POWER;ONEIDA	20,000
ID	TAMMANY CREEK	34,160	382,112	NEZ PERCE	30,007
ID	TENSED/LOLO	22,000	692,878	BENENAH	44,683
ID	THORN CREEK	21,080	1,511,629	LATAH;WHITMAN(WA)	37,309
ID	UPPER SAND CREEK	56,140	467,771	BONNEVILLE	37,773
IL	ASH-LOOP	8,500	842,589	ST. CLAIR	209,167
IL	KINKAID LAKE	42,340	1,090,057	JACKSON	117,872
IL	LAKE BLOOMINGTON	43,100	47,892	MCLEAN	936,708
IL	LAKE MATTOON	34,900	1,170,410	COLES;CUMBERLAND;SHELBY	121,182
IL	LICK CREEK	88,400	1,001,714	SANGAMON;MORGAN	217,300
IL	LITTLE CALUMET RIVER	136,500	31,570,451	COOK;WILL	34,830,854
IL	LOWER DES PLAINES TR	243,700	16,403,081	LAKE;COOK;DU PAGE	13,251,019
IL	MILL CREEK	81,840	9,336,742	CLARK;EDGAR	797,913
IL	RACCOON LAKE	30,720	778,135	MARION;JEFFERSON	185,221
IL	SPRING LAKE	12,966	1,012,448	MCDONOUGH	202,194
IL	UPPER CRAB ORCHARD C	52,600	529,240	UNION;PULASKI;ALEXANDER	2,315,107
IL	UPPER SALT CREEK	33,280	40,257,929	COOK;DU PAGE;LAKE	392,650
IN	BACHELOR RUN	23,519	2,651,401	CARROLL;HOWARD	76,571
IN	HONEY CREEK	59,500	142,901	VIGO;CLAY	2,299,899
IN	JORDAN CREEK	35,123	5,232,224	WARREN	246,597
IN	MARIAH CREEK	58,850	920,611	KNOX;SULLIVAN	20,000
IN	MIDDLE FORK OF ANDER	69,400	3,171,093	CRAWFORD;PERRY	164,799
IN	MUDDY FORK OF SILVER	42,642	2,224,602	CLARK;FLOYD;WASHINGTON	1,062,770
IN	PIGEON CREEK	34,600	69,913	STUEBEN	108,857
IN	TWIN-RUSH CREEK	28,099	5,013,963	WASHINGTON	1,000,000
IN	UPPER BIG BLUE RIVER	124,000	12,120,997	HENRY;RUSH	20,000
KS	BIG CREEK	84,100	2,476,102	COFFEY;GREENWOOD;LYON;WOODSON	1,000,000
KS	EAST SECTOR WHITEWAT	153,000	1,314,188	BUTLER;HARVEY;MARION	879,912
KS	ELK CREEK	89,036	4,131,623	ATCHISON;JACKSON;NEMAH	7,818,854
KS	GRASSHOPPER-COAL CRE	61,440	4,948,769	ATCHISON;BROWN;JEFFERSON	4,180,071
KS	LOWER ELK RIVER	130,440	6,281,149	ELK;CHAUTAUQUA;WILSON	1,759,451
KS	LYONS CREEK	179,776	4,613,922	DICKINSON;GEARY;MARION;MORRIS	1,111,050
KS	MIDDLE CREEK (MORRIS)	72,211	2,371,272	MORRIS;MARION;CHASE	1,717,394
KS	MIDDLE WALNUT	188,947	1,849,899	BUTLER;COWLEY;SUMNER;SEDGWICK	1,337,522
KS	NORTH BLACK VERMILLI	104,416	7,202,708	MARSHALL;NEMAH	3,917,192
KS	NORTH SECTOR UPPER W	218,506	4,694,580	BUTLER;CHASE	1,153,320
KS	NORTH-MIDDLE FORKS W	45,890	157,248	BROWN	4,004,195
KS	PONY CREEK	39,490	80,903	BROWN;NEMAH;RICHARDSON(WE)	3,227,878
KS	ROY'S CREEK	27,740	788,071	BROWN	1,236,123
KS	SOUTH FORK	184,550	1,770,001	BUTLER;CHASE;GREENWOOD	3,090,200
KS	SOUTH FORK WOLF	41,590	1,372,069	ATCHISON;BROWN;DONIPHAN	2,660,569
KS	SPILLMAN CREEK	119,360	4,334,688	LINCOLN;MITCHELL;OSBORNE;RUSSELL	2,290,880
KS	SQUAW CREEK LOWER WO	73,040	476,679	BROWN;DONIPHAN	4,777,790
KS	UPPER BLACK VERMILLI	54,886	6,147,877	MARSHALL;NEMAH	803,623
KS	UPPER SALT CREEK	201,990	12,747,706	LINCOLN;MITCHELL	2,044,163
KS	WEST SECTOR WHITEWAT	174,960	3,089,590	SEDGWICK;HARVEY;BUTLER	1,000,000
KS	WET WALNUT NO. 1	145,292	2,951,023	BARTON;RUSH	1,242,056
KS	WET WALNUT NO. 2	232,219	6,467,999	NESS;PAWEE;RUSH	2,978,190
KS	WET WALNUT NO. 3	228,568	5,688,282	NESS	3,112,561
KY	BACON CREEK	2,820	789,497	WHITLEY	20,000
KY	BIG MUDDY CREEK	65,140	2,961,230	BUTLER;LOGAN	658,823
KY	BRASHEAR'S CREEK	171,000	159,306	HENRY;SHELBY;SPENCER	158,009
KY	CANE VALLEY	14,200	307,637	ADAIR;GREEN;TAYLOR	1,944,586
KY	CANEY CREEK	97,310	10,914,182	BUTLER;GRAYSON;OHIO	152,722
KY	EAST AND MIDDLE FORK	19,300	186,809	MCCRACKEN	354,269
KY	EAST FORK OF POND RI	139,700	10,655,750	CHRISTIAN;MUHLENBERG;TODD	149,722
KY	FALL CREEK	30,100	412,675	WAYNE	293,145
KY	HIGHLAND CREEK	104,400	1,310,987	UNION;HENDERSON;WEBSTER	2,101,715
KY	LITTLE AND MIDDLE PI	36,400	756,842	GREEN;TAYLOR	164,278
KY	NORTH FORK MOLIN RIV	34,610	2,787,772	LARUE	709,722
KY	OBION CREEK	206,108	1,708,496	CARLISLE;FULTON;GRAVES;HICKMAN	153,722
KY	PIGEON ROOST CREEK	5,180	1,001,310	JACKSON	1,231,823
KY	RED LICK CREEK	44,660	3,481,093	ESTILL;JACKSON;MADISON	1,160,722
KY	SHORT CREEK	24,300	2,039,700	GRAYSON	143,023

## P.L.566 Projects Currently Underway (cont.)

KY SOUTH FORK OF LITTLE	42,800	111,054	CHRISTIAN;TODD	483,228
KY STEWART CREEK	5,000	3,219,102	HOPKINS	2,676
KY UPPER TRADEWATER RIV	60,000	3,479,745	CHRISTIAN;HOPKINS	20,000
KY WEST FORK OF MAYFIEL	48,000	3,910,595	CARLISLE;GRAVES	1,190,790
LA AVOYELLES-ST. LANDRY	219,400	356,384	AVOYELLES;RAPIDES;ST. LANDRY	202,299
LA BAYOU BONNE IDEE	157,500	7,257,473	MOREHOUSE	20,000
LA BAYOU GROSSE TETE	137,000	4,198,921	POINTE COUPEE	391,671
LA BAYOU MALLET	108,000	1,291,128	ACADIA;EVANGELINE;ST. LANDRY	818,796
LA BAYOU PENCHANT-LAKE	211,500	55,627	TERREBOHNE	503,214
LA BAYOU PLAQUEMINE BRU	234,400	6,140,693	ACADIA;ST. LANDRY	1,000,000
LA BELL CITY	61,000	3,517,272	CALCASTEU;CAMERON;JEFFERSON DAVIS	20,000
LA BUNDICK CREEK	207,400	401,647	ALLEN;BEAUREGARD;VERNON	65,871
LA CAMERON-CREOLE	113,000	14,280,777	CAMERON	20,000
LA CHOCTAW BAYOU	110,000	2,268,653	WEST BATON ROUGE;POINTE COUPEE;IBERVILLE	1,000,000
LA COCODRIE-GRAND LOUIS	147,000	395,771	EVANGELINE;ST. LANDRY	209,151
LA CYPRESS-BLACK BAYOU	148,500	10,306,643	BOSSIER	20,000
LA EAST CARROLL	223,700	3,372,072	EAST CARROLL;MADISON	549,949
LA FIFTH WARD	28,900	246,642	ACADIA	470,638
LA LAKE VERRET	246,000	4,673,851	ASCENSION;ASSUMPTION;IBERVILLE	20,000
LA MIDDLE TANGIPAHOA	174,600	211,187	TANGIPAHOA;ST. HELENA	324,491
LA SICILY ISLAND	106,800	50,101	CATAHOULA	204,414
LA UPPER VERMILION BAYO	107,600	100,201	ST. MARTIN;LAFAYETTE;IBERIA	53,640
LA WEST CARROLL	248,900	10,014,862	RICHLAND;WEST CARROLL	839,784
LA WEST FORK BAYOU L'OU	133,900	122,487	LAFOURCHE	1,705,354
MA BAITING BROOK	2,182	4,062,526	MIDDLESEX	1,349,743
MA CLAM RIVER	20,065	3,721,870	BERKSHIRE	933,053
MA SU-AS-CO	241,617	9,305,713	MIDDLESEX;WORCESTER	665,000
MA UPPER QUABOAG RIVER	94,301	4,474,354	HAMPDEN;HAMPSHIRE;WORCESTER	1,000,000
MA WASHINGTON MOUNTAIN	5,740	7,643,051	BERKSHIRE	673,654
MD GOLDSBORO	9,250	1,225,546	CAROLINE	35,000
MD LINGANORE CREEK	56,300	1,150,026	FREDERICK;CARROLL	1,391,775
MD SENECA CREEK	82,479	427,978	MONTGOMERY	1,000,000
MD UPPER CHESTER RIVER	90,500	2,341,910	KENT;QUEEN ANNE'S;KENT(DE);NEW CASTLE(DE)	20,000
MD WEST AND RHODE RIVER	16,325	211,625	ANNE ARUNDEL	41,000
ME KENDUSKEAG STREAM	137,600	1,020,232	PENOBSCOT	566,153
ME LONG-CROSS LAKES	104,960	348,608	AROOSTOOK	333,599
ME MEDUXNEKEAG RIVER	185,000		AROOSTOOK	1,431,000
ME PRESQUE ISLE STREAM	124,000	2,679,082	AROOSTOOK	32,500
MI BARAGA VILLAGE	3,186	248,717	BARAGA	1,015,983
MI BEAN CREEK	129,920	1,908,664	HILLSDALE;LENAWEE	178,864
MI BEAR RIVER	81,000	1,627,510	CHARLEVOIX;EMMET	682,476
MI ELK RIVER	202,060	780,890	ANTRIM;CHARLEVOIX	1,325,199
MI MUD CREEK	35,470		BARRY;EATON;IONIA	903,400
MI ROGUE RIVER	155,760	5,689,775	OTTAWA;NEWAYGO;KENT;MONTCALM;MUSKEGON	20,000
MI SOUTH BRANCH KAWKAWL	66,590	132,443	BAY;MIDLAND;SAGINAW	1,213,466
MN BURNHAM CREEK	104,200	5,068,682	POLK	216,464
MN CANBY CREEK	20,150	6,649,730	LINCOLN;YELLOW MEDICINE	497,665
MN KANARANZI-LITTLE ROC	198,400	1,713,982	NOBLES;ROCK	3,263,876
MN SOUTH ZUMBRO	200,540	16,247,653	DODGE;OLMSTED	4,360,929
MO BIG CREEK-HURRICANE	176,800	2,998,211	CARROLL;LIVINGSTON	6,954,389
MO EAST FORK OF BIG CRE	62,073	5,739,394	HARRISON;DECATUR(IA)	457,744
MO EAST LOCUST CREEK	78,700	2,997,416	PUTNAM;SULLIVAN	2,982,186
MO EAST YELLOW CREEK	122,700		SULLIVAN;LINN;CHARITAN	7,267,900
MO GRASSY CREEK	35,600	1,952,860	LEWIS;MARION	127,818
MO GRINDSTONE-LOST-MUDD	209,100	12,859,071	CLINTON;DAVIESS;DE KALB;GENTRY	940,929
MO LITTLE WYACONDA-SUGA	98,958	1,184,539	CLARK;SCOTLAND;LEWIS	568,522
MO LOST CREEK	39,100	4,760,360	NEWTON	1,000,000
MO LOWER LITTLE BLACK (	124,390	1,734,960	BUTLER;RIPLEY;CLAY (AR)	17,393,330
MO MONITEAU CREEK	95,200		BOONE;HOWARD;RANDOLPH	4,199,900
MO MOZINGO CREEK	23,988	5,078,974	NODAWAY	1,125,175
MO TOWN BRANCH	6,745		GENTRY	535,300
MO TROUBLESOME CREEK	89,300	4,127,863	LEWIS;MARION;KNOX	850,669
MO UPPER LITTLE BLACK	124,749	10,396,337	BUTLER;RIPLEY;CARTER	7,675,525
MO UPPER LOCUST CREEK	444,800	965,792	PUTNAM;SULLIVAN;WAYNE(IA);APPANOOSE(IA)	15,199,608
MO WEST FORK OF BIG CRE	187,290	4,250,516	DAVIESS;HARRISON;RINGGOLD(IA);DECATUR(IA)	8,776,684
MO WILLOW-CRAVENS	28,102	2,180,731	RAY;LAFAYETTE	2,939,269
MS BAYOU PIERRE	241,229	174,477	COPIAH;LINCOLN	387,500
MS BEARTOWN	690	445,734	PIKE	20,000
MS BIG CREEK	80,012	4,758,030	JASPER;JONES;SMITH	2,491,500
MS BROWNS CREEKS	94,300	242,687	PRENTISS;ITAWAMBA;TISHOMINGO	1,000,000
MS CHUNKY RIVER	240,650	6,463,453	NEWTON;NESHABA	1,191,757
MS CHUKQUATONCHEE CREEK	136,849	3,685,722	CHICKASAW;CLAY;MONROE;PONTOTOC	2,672,354
MS COPIAH CREEK	126,358	1,375,664	COPIAH	842,500
MS DRY CREEK	13,954	772,771	COVINGTON	212,500

## P.L.566 Projects Currently Underway (cont.)

MS	FOURTEEN MILE-BAKERS	162,700	326,734	HINDS	785,500
MS	HOLIDAY CREEK	63,760	786,256	MARRION;JEFFERSON DAVIS	212,500
MS	LONG BEACH	10,857	111,434	HARRISON	1,601,066
MS	MAINTACHIE; BOGUE FAL	113,585	156,568	ITAMAMBA;LEE;MONROE	1,000,000
MS	MUDDY CREEK	80,795	14,869,111	TIPPAN; HARDEMAN(TN)	212,500
MS	OKATOMA CREEK	179,205	1,025,144	SIMPSON; SMITH; COVINGTON; JONES; FORREST	413,500
MS	RICHLAND CREEK	93,000	20,388,241	RANKIN	212,500
MS	SECOND CREEK	69,056	3,619,047	ADAMS	1,067,926
MS	SOUTH DELTA	223,225	1,254,099	HUMPHREYS; SHARKEY; YAZOO	3,004,045
MS	SOWASHEE CREEK	52,910	7,984,618	LAUDERDALE	5,451,213
MS	STANDING PINE CREEK	36,648	2,746,610	LEAKE; NESHOMA	251,493
MS	TALLAHAGA CREEK	79,320	10,059,170	WINSTON; CHOCTAW; NESHOMA	1,559,570
MS	TOWN CREEK	246,957	11,079,505	LEE; PONTOTOC; PRENTISS; UNION	28,286,141
MS	TUSCUMBIA RIVER	223,146	7,540,415	ALCORN; PRENTISS; MCNAIRY(TN)	9,033,640
MS	UPPER LEAF RIVER	131,580	1,863,039	SMITH; SCOTT	4,357,500
MS	WHITES CREEK	4,680	1,321,628	WEBSTER	20,000
MS	WHITESAND-GREENS CRE	131,260	2,446,665	JEFFERSON DAVIS; LAWRENCE	259,924
MT	LOWER BIRCH CREEK	244,000	5,908,439	PONDERA	1,485,439
MT	MILL CREEK	8,100	2,897,935	PARK	20,000
MT	MUDDY CREEK(NORTHEAS	10,000	624,937	TETON	13,899
MT	PASTURE CREEK	10,950		MCCONE	758,333
MT	SAGE CREEK	246,000	352,571	LIBERTY	40,272
MT	THIRTYMILE CREEK	87,000		BLAINE	1,000,000
MT	WOLF CREEK	159,600	362,799	FERGUS; JUDITH BASIN	1,000,000
NC	BIG AND DOUBLE CREEK	48,500	32,217	STOKES; SURRY	562,985
NC	BUFFALO-MUDDY FORK C	73,630	2,040,576	CLEVELAND; GASTON; LINCOLN	1,000,000
NC	CRABTREE CREEK	90,750	11,608,491	DURHAM; WAKE	299,379
NC	DUTCHMAN CREEK	81,500	6,862,437	DAVIE; IREDELL; YADKIN	1,000,000
NC	FISHING CREEK	30,380	60,074	GRANVILLE	1,000,000
NC	INDIAN; HOWARDS AND	84,700	663,600	CATAWBA; GASTON; LINCOLN	597,785
NC	LANES CREEK	80,595	769,173	ANSON; UNION	458,663
NC	LIMESTONE CREEK	41,000	2,954,939	DUPLIN	20,000
NC	LITTLE CONTENTNEA CR	115,155	1,043,537	PITT; GREENE; WILSON; EDGEcombe	1,000,000
NC	LITTLE YADKIN RIVER	40,000	2,580,132	STOKES; FORSYTH; SURRY	20,000
NC	LOWER LITTLE & SOUTH	102,150		ALEXANDER	765,150
NC	MUDDY CREEK (DUPLIN)	31,000	2,908,860	DUPLIN	20,000
NC	RAMSEUR RESERVOIR	38,434	340,498	RANDOLPH	402,726
NC	RICHARDSON CREEK	174,458	873,833	ANSON; UNION	448,529
NC	SANDY CREEK	9,600		CUMBERLAND	1,000,000
NC	SANDY RUN CREEK	43,980	231,713	CLEVELAND; RUTHERFORD	20,000
NC	SECOND BROAD RIVER	144,300	8,021,435	MCDOWELL; RUTHERFORD; CLEVELAND	393,771
NC	STEWARTS CREEK-LOVIL	72,000	7,415,198	SURRY; CARROLL(VA)	3,515,191
NC	SWAN QUARTER	11,440	2,831,906	HYDE	624,036
NC	TOWN FORK CREEK	84,521	3,858,040	STOKES; FORSYTH	3,560,120
ND	ENGLISH COULEE	73,665	4,269,660	GRAND FORKS	54,821
ND	MIDDLE BRANCH-PARK R	105,600	1,965,915	CAVALIER; PEMBINA; WALSH	3,323,221
ND	MUSKRAT LAKE BASIN	19,910	198,913	MOUNTRAIL	138,584
ND	SQUARE BUTTE CREEK	191,699	2,998,868	OLIVER; MORTON	1,921,964
ND	UPPER TURTLE RIVER	157,825	6,721,086	GRAND FORKS; NELSON	66,993
NE	AOWA CREEK	55,350	4,857,310	DIXON	2,256,974
NE	BALLS BRANCH	18,366	904,711	THAYER; JEFFERSON	20,000
NE	BELLWOOD	51,300	1,244,261	BUTLER	200,256
NE	BLACKWOOD CREEK	187,700	3,897,493	LINCOLN; HITCHCOCK; HAYES; RED WILLOW	185,690
NE	BONE CREEK	46,120	1,234,986	BUTLER	136,065
NE	EAST-WEST-DRY MAPLE	200,100	1,123,906	COLFAX; CUMING; DODGE; PLATTE; STANTON	3,575,682
NE	GERING VALLEY	57,600	6,398,413	SCOTTS BLUFF	989,083
NE	LONG BRANCH	46,905	4,271,288	RICHARDSON; NEMAH; PAWNEE; JOHNSON	20,000
NE	LOWER MEDICINE CREEK	152,700	1,761,851	FRONTIER; LINCOLN	2,473,508
NE	MIDDLE BIG NEMAH	133,300	235,123	JOHNSON; GAGE; PAWNEE	1,852,139
NE	MIDDLE FORK MAPLE CR	48,350	2,472,236	COLFAX; STANTON	402,979
NE	PAPILLION CREEK	245,800	2,944,149	DOUGLAS; SARPY; WASHINGTON	1,374,808
NE	SOUTH BRANCH LITTLE	126,720	4,724,950	LANCASTER; OTOE; JOHNSON	4,273,754
NE	STEVENS-CALLAHAN(CAM	46,482	2,172,936	CASS; LANCASTER	2,055,440
NE	SWAN CREEK	152,300	5,276,128	JEFFERSON; SALINE	1,959,413
NE	TEKAMAH-MUD CREEK	19,080	3,350,319	BURT	522,529
NE	UPPER BIG NEMAH	114,980	6,562,712	GAGE; JOHNSON; LANCASTER; OTOE	241,223
NE	UPPER MEDICINE CREEK	219,140	1,732,531	FRONTIER; HAYES; LINCOLN	1,000,000
NE	WOLF-WILDCAT CREEK	55,960	2,734,244	GAGE; PAWNEE	965,325
NH	DEAD RIVER	10,350	2,125,209	COOS	39,794
NJ	ASSUMPINK CREEK	58,300	33,393,625	MERCER; MONMOUTH	1,349,014
NJ	CLOVE BROOK	12,700	792,732	SUSSEX	227,500



## P.L.566 Projects Currently Underway (cont.)

NJ FURNACE BROOK	4,968	908,439	WARREN	227,500
NJ NAVESINK CREEK	60,000	579,606	MONMOUTH	283,930
NJ UPPER SALEM RIVER	64,000	463,731	SALEM	222,728
NM COTTONWOOD-WALNUT CR	228,326	21,033,778	CHAVES;EDDY	9,152,222
NM EAGLE-TUMBLEWEED DRA	184,400	6,827,020	CHAVES;EDDY	10,241,019
NM ESPANOLA-RIO CHAMA	27,520	70,873	RIO ARRIBA;SANDOVAL	17,272,222
NM LARGO-AGUA FRIA	212,600		CATRON	162,000
NM T OR C WILLIAMSBURG	19,050	9,935,611	SIERRA	8,634,289
NM ZUNI PUEBLO	12,786	294,315	MCKINLEY	15,532,222
NV EAST WALKER	14,820	218,083	LYON	929,426
NY BATAVIA KILL	47,180	3,861,853	GREENE	1,000,000
NY BEAVER BROOK	1,638		HERKIMER	959,200
NY BLIND BROOK (CT)	6,980	15,653	WESTCHESTER;FAIRFIELD (CT)	1,000,000
NY BRANDYWINE CREEK	750	281,353	BROOME	3,016,919
NY CONEWANGO CREEK	190,080	6,260,046	CATTARAUGUS;CHAUTAUQUA	1,000,000
NY CROMLINE CREEK	13,920	1,521,525	ORANGE	1,000,000
NY DEPOSIT CREEK	48,437	6,486,534	BROOME;DELAWARE;CHENANGO	1,000,000
NY DYKE CREEK	46,348	2,406,503	ALLEGANY	1,456,796
NY FLINT CREEK	64,860	5,591,605	ONTARIO;STEBUN;YATES	1,000,000
NY HIGINBOTHAM BROOK	1,030	829,434	MADISON	1,000,000
NY ISCHUA CREEK	74,900	2,647,716	CATTARAUGUS	1,000,000
NY MILL BROOK	2,960	2,451,002	CHENANGO	3,080,349
NY MANTICORE CREEK	73,000	5,387,309	BROOME;TIOGA	1,000,000
NY NEWTOWN-HOFFMAN CREE	54,600	10,768,912	SCHUYLER;CHEMUNG	3,192,926
NY OAK ORCHARD CREEK	39,860	3,204,441	GENESEE;ORLEANS	1,000,000
NY OTISCO LAKE	23,844	673,009	OWONDAGA	20,000
NY TOMHANNOCK RESERVOIR	42,400	325,419	RENSELAER	20,000
NY VIRGIL CREEK	25,996	22,287	TOMPKINS;CORTLAND	4,415,213
OH FOUR MILE CREEK	63,330		BUTLER;PREBLE;WAYNE(IN);UNION(IN)	2,136,400
OH KINGS CREEK	27,770	221,388	CHAMPAIGN;LOGAN	304,753
OH NORTH HOCKING RIVER	68,670	663,275	FAIRFIELD	74,277
OH PRAIRIE-HOAGLIN BR.	67,840	5,601,595	PAULDING;VAN WERT	20,000
OH RATTLESNAKE CREEK	177,280	450,382	FAYETTE;HIGHLAND;CLINTON;GREENE;MADISON	1,000,000
OH RUSH CREEK	151,462	22,591,565	FAIRFIELD;HOCKING;PERRY	1,000,000
OH SHORT CREEK	81,280	1,883,504	HARRISON;JEFFERSON	225,300
OH SOUTH FORK LICKING R	180,364	163,759	LICKING;PERRY;FAIRFIELD	208,300
OH UPPER BLANCHARD RIVE	249,600		HANCOCK;HARDIN	688,100
OH UPPER KILLBUCK CREEK	198,400	214,487	WAYNE;MEDINA	1,000,000
OH UPPER MAD RIVER	39,100	390,377	LOGAN;CHAMPAIGN	261,979
OH UPPER TIFFIN	215,040	692,735	FULTON;WILLIAMS;HENRY;HILLSDALE(MI);LENAAWEE(MI)	20,000
OH WILLS CREEK	185,600	1,524,996	BELMONT;GUERNSEY;MUSKINGUM;NOBLE	960,300
OK BRUSHY-PEACEABLE CRE	212,192	7,286,026	LATIMER;PITTSBURG	8,707,261
OK CAMBELL CREEK	41,120	58,010	KINGFISHER	1,032,553
OK CARNEY CREEK	16,403	68,200	CHOCTAW	727,553
OK COTTON-COON-MISSION	198,170	5,820,267	WASHINGTON;OSAGE;NOWATA;CHAUTAUQUA(KS)	1,198,692
OK COW CREEK	123,494	9,533,182	JEFFERSON;STEPHENS	3,018,606
OK DEER CREEK	221,730	1,959,155	BLAINE;CADD0;CUSTER;DEWEY	336,092
OK DRY CREEK	115,740	1,095,424	LINCOLN	3,747,941
OK HOYLE CREEK	36,768	240,853	MAJOR	877,217
OK JACK CREEK	45,709	3,158,647	TILLMAN;COMANCHE	1,524,218
OK KICKAPOO NATIONS	165,300	12,231,970	LINCOLN;OKLAHOMA	4,976,833
OK LEADER-MIDDLE CLEAR	107,968	1,871,863	COAL;PONTOTOC	377,553
OK LITTLE BEAVER CREEK	124,201		COMANCHE;COTTON;GRADY;STEPHENS	4,056,553
OK LOST-DUCK CREEKS	55,040	9,169,245	KAY	2,601,431
OK LOWER BAYOU	95,488	6,438,248	CARTER;LOVE	2,294,155
OK LOWER BLACK BEAR CRE	157,683	5,986,700	PAWNEE;PAYNE;NOBLE	2,907,553
OK LOWER CLEAR BOGGY CR	240,301	7,973,328	ATOKA;BRYAN;COAL;JOHNSTON	1,198,669
OK LOWER RED ROCK CREEK	116,582	985,526	NOBLE;PAWNEE	7,032,553
OK LUGERT-ALTUS	46,878	826,126	GREER;JACKSON	2,613,560
OK MCKINNEY BUZZARD	15,980	221,495	MCCURTAIN	952,553
OK NORTH DEER CREEK	30,111	1,812,303	CLEVELAND;OKLAHOMA;POTTAWATOMIE	2,329,831
OK OKFUSKEE TRIBUTARIES	201,575	8,009,354	OKFUSKEE;OKMULGEE;CREEK	2,419,349
OK QUAPAW CREEK	98,560	5,148,753	LINCOLN;POTTAWATOMIE	377,553
OK ROBINSON CREEK	40,320	3,800,243	LINCOLN	1,781,014
OK SALT-CAMP CREEK	73,030	2,493,434	CREEK;LINCOLN	2,423,063
OK SANDY CREEK	147,243	3,878,842	GARVIN;PONTOTOC	379,407
OK STILLWATER CREEK	177,216	11,834,195	LOGAN;NOBLE;PAYNE	4,452,624
OK TRI-COUNTY TURKEY CR	196,400	6,617,900	HARMON;GREER;JACKSON	1,394,934
OK TURKEY CREEK	244,006	123,844	GARFIELD;ALFALFA;MAJOR;KINGFISHER	3,916,553
OK UPPER BAYOU	119,680	3,776,738	CARTER;LOVE	317,792
OK UPPER BLACK BEAR CRE	241,546	11,037,959	GARFIELD;NOBLE;PAWNEE	456,569

## P.L.566 Projects Currently Underway (cont.)

OK	UPPER BLUE RIVER	203,100	256,483	ATOKA;BRYAN;JOHNSTON;MURRAY;PONTOTOC	13,462,352
OK	UPPER ELK CREEK	248,340	12,495,382	BECKHAM;KIOWA;WASHITA	2,711,074
OK	UPPER MUDDY BOGGY CR	207,674	11,007,125	COAL;HUGHES;PITTSBURG;PONTOTOC	2,341,323
OK	UPPER RED ROCK CREEK	197,376	7,107,518	GARFIELD;GRANT;KAY;NOBLE	2,738,325
OK	WATERFALL-GILFORD CR	43,410	2,309,976	MCCURTAIN	2,537,553
OK	WILD HORSE CREEK	30,982		PAYNE	551,450
OR	DEADMAN-BULLARD	7,400		LAKE	1,881,900
OR	DRY CREEK	32,300	835,646	GILLIAM;MORROW	574,826
OR	NORTH POWDER RIVER	117,800	3,193,306	BAKER	1,302,874
OR	NORTH SIDE BIG WESTU	1,090	288,871	TILLAMOOK	595,056
OR	UPPER STAGE GULCH	19,600	405,398	UMATILLA	991,241
PA	BRANDYWINE CREEK	211,200	12,440,324	CHESTER;DELAWARE;LANCASTER;NEW CASTLE(DE)	1,523,841
PA	CEDAR RUN	9,600	756,705	CLINTON;CENTRE	213,657
PA	CLOVER CREEK	33,280	2,187,804	BLAIR	171,012
PA	CROSS CREEK	35,000	9,198,363	WASHINGTON	1,472,635
PA	JACOBS CREEK	62,500	2,685,042	FAYETTE;WESTMORELAND	4,385,556
PA	LAUREL HILL CREEK	27,500	489,784	SOMERSET	717,276
PA	LITTLE SHENANGO RIVE	72,738	12,884,479	CRAWFORD;MERCER	217,646
PA	NESHAMINY CREEK	149,000	10,708,020	BUCKS;MONTGOMERY	1,102,556
PA	OVEN RUN	6,280		SOMERSET	2,907,000
PA	PITCHPINE RUN	1,180		JEFFERSON	1,769,000
PA	ROCK CREEK	40,000	380,832	ADAMS	107,051
PA	UPPER TIOGA RIVER	99,500		TIOGA;BRADFORD	1,715,556
PA	YELLOW CREEK	61,300	769,633	BEDFORD;BLAIR	808,538
PB	KAGMAN	3,750		SAIPAN;CNMI	2,854,200
PB	TALOFOFO VILLAGE	150		TALOFOFO	104,700
PR	ANASCO RIVER	129,128	6,457,855	ADJUNTAS;ANASCO;LARES;LAS MARIAS;MARICAO;MAYAGUEZ	3,122,353
PR	GUAYANES RIVER	31,700	3,271,856	YABUCOA	30,454,601
PR	TOA VACA LAKE	14,000	249,611	PONCE;JUANA DIAZ;VILLALBA;COAMO;SANTA ISABEL	860,868
RI	AQUIDNECK ISLAND	24,100	550,046	NEWPORT	104,898
SC	BUSH RIVER-BEAVERDAM	94,480	933,738	LAURENS;NEWBERRY	240,239
SC	CANE CREEK	94,721	5,916,028	LANCASTER;UNION(NC)	1,000,000
SC	CARTWHEEL COMMUNITY	19,300	581,459	HORRY	20,000
SC	FRAZIER PARK	4,350		CHESTER	236,500
SC	LITTLE RIVER	80,400	3,364,981	LAURENS	20,000
SC	LITTLE SALUDA RIVER	152,700	176,195	SALUDA;EDGEFIELD	286,801
SC	NICHOLS	2,140		MARION	322,000
SC	NORTH FORK EDISTO	243,440	165,052	LEXINGTON;ORANGEBURG;CALHOUN	178,424
SC	NORTHEAST CALHOUN	78,000	775,078	CALHOUN	20,000
SC	NORTHWEST CHEROKEE	200,800	434,744	CHEROKEE;CLEVELAND(NC);RUTHERFORD(NC)	138,022
SC	OOLENOY RIVER	34,000	2,776,318	PICKENS	433,094
SC	PACOLET RIVER	49,120	434,772	SPARTANBURG	135,323
SC	PICKENS-ANDERSON	83,190	187,667	PICKENS;ANDERSON	407,426
SC	RABON CREEK	85,500	7,082,655	GREENVILLE;LAURENS	20,000
SC	RAFTING CREEK	39,835	393,234	LEE;SUMTER	128,094
SC	ROCKY CREEK	126,300	1,384,422	CHESTER;FAIRFIELD	1,000,000
SC	SALEM COMMUNITY	33,640	1,128,202	FLORENCE	2,555,725
SC	SALKEHATCHIE RIVER	148,600	316,090	BARNWELL	141,832
SC	SOUTH EDISTO	88,150	453,554	BAMBERG;BARNWELL	909,280
SC	THOMPSON-WESTFIELD C	240,580	271,760	CHESTERFIELD;ANSON(NC);UNION(NC)	164,042
SC	UPPER SAVANNAH	181,500	668,061	ABBEVILLE;ANDERSON	110,239
SC	WALLACE	70,950	474,519	MARLBORO;RICHMOND(NC)	193,051
SC	WEST ORANGEBURG	154,670	512,930	AIKEN;ORANGEBURG	320,239
SC	WOODROW	610	144,350	LEE	723,051
SD	UNION CREEK	30,300	3,267,122	UNION	90,000
TN	BEANS CREEK	53,760	495,007	FRANKLIN;LINCOLN	868,894
TN	BEAVER CREEK	95,450	189,851	FAYETTE;HAYWOOD;SHELBY;TIPTON	401,814
TN	BIG CREEK	98,250	313,390	SHELBY;TIPTON	424,781
TN	BIG LIMESTONE CREEK	50,690		GREENE;WASHINGTON	948,600
TN	BOGOTA	11,500	1,651,953	DYER;OBION	1,000,000
TN	CANE CREEK	57,000	10,281,256	LAUDERDALE	12,403,361
TN	CROW CREEK	101,500	1,998,661	FRANKLIN;MARION;JACKSON(AL)	1,000,000
TN	HURRICANE CREEK	52,780	2,883,047	DICKSON;HUMPHREYS	3,240,285
TN	MADISON-CYPRESS CREE	14,530	685,816	MADISON	452,465
TN	MCHAIRY-CYPRESS CREE	109,600	8,256,893	MCHAIRY	4,957,675
TN	NORTH FORK WOLF RIVE	78,650	129,878	FAYETTE;HARDEMAN	489,032
TN	NORTH FORK-FORKED DE	80,190	2,078,990	GIBSON	1,533,112
TN	PINE CREEK	16,800	8,235,784	SCOTT	20,000
TN	PORTERS CREEK	44,600	10,234,128	HARDEMAN;BENTON(MS);TIPPAH(MS)	1,000,000
TN	PORTLAND	1,920	561,898	SUMNER	437,458
TN	RED BOILING SPRINGS	9,650	4,642,149	CLAY;MACON	1,806,273

## P.L.566 Projects Currently Underway (cont.)

TN REELFOOT-INDIAN CREE	82,660	13,362,004	OBION; FULTON(KY)	3,161,146
TN SPRING CREEK	61,400	172,647	WEAKLEY; HENRY; CARROLL	1,203,265
TN SULPHUR FORK CREEK	138,100	243,666	CHEATHAM; MONTGOMERY; ROBERTSON; SUMNER	486,591
TN SWEETWATER CREEK	37,640	8,521,441	LOUDON; MCINNIN; MONROE	2,138,071
TN WEATHERFORD-BEAR CREE	32,775	935,830	WAYNE	1,000,000
TN WHITE OAK CREEK	125,000	45,809	CHESTER; HARDIN; HENDERSON; MCNAIRY	709,722
TX AQUILLA-HACKBERRY CR	188,160	7,989,652	HILL; JOHNSON	20,000
TX ATTOYAC BAYOU	213,440	5,122,770	MACOGDOCHES; RUSK; SAN AUGUSTINE; SHELBY	2,662,143
TX BIG CREEK	26,240	854,505	BRAZOS	1,000,000
TX BIG CREEK(DELTA CO.)	22,140	51,325	DELTA	990,452
TX BIG CREEK(TRI-COUNTY)	236,620	203,801	FALLS; LIMESTONE; MCLENNAN	11,598,342
TX CADDO CREEK	134,400	2,831,036	COLLIN; HUNT	1,237,961
TX CANEY CREEK	46,784	1,343,071	FANNIN; GRAYSON	1,152,143
TX CHOCTAW CREEK	168,000	11,426,356	GRAYSON	11,232,952
TX CORNUDAS; NORTH AND	177,600	4,958,878	HUDSPETH; OTERO(NM)	1,162,143
TX DONAHOE CREEK	98,285	1,574,909	BELL; MILAM; WILLIAMSON	1,000,000
TX ECLETO CREEK	170,880	3,129,408	GUADALUPE; WILSON; KARNES; DE WITT	2,035,406
TX ELM CREEK (CEN-TEX)	207,360	13,676,352	BELL; FALLS; MCLENNAN; MILAM	2,057,896
TX ELM CREEK (1250)	238,253	2,679,713	RUNNELS; TAYLOR	8,151,847
TX HITSION; C&L AND WASH	200,000	15,532,974	HUDSPETH	1,237,370
TX LEONA RIVER	110,080	5,696,234	UVALDE	3,562,143
TX LOS OLMOES CREEK	204,470	8,042	STARR; JIM HOGG	1,000,000
TX LOWER AQUILLA-HACKBE	74,500	274,385	HILL; MCLENNAN	1,418,124
TX LOWER PLUM CREEK	152,900	2,509,501	CALDWELL; HAYS	927,143
TX MILL CREEK	81,280	1,141,195	VAN ZANDT	1,000,000
TX PALUXY RIVER	249,920	17,213,566	ERATH; HOOD; SOMERVELL	2,662,143
TX PINE CREEK	119,040	2,611,290	LAMAR	1,042,143
TX PLUM CREEK	97,000	3,369,290	CALDWELL; HAYS; TRAVIS	1,197,143
TX RED DEER CREEK	211,840	9,183,295	GRAY; HEMPHILL; ROBERTS	13,710,867
TX RUSH CREEK	188,160	5,522,843	COMANCHE; BROWN; EASTLAND	1,000,000
TX SALADO CREEK	139,808	16,815,823	BEXAR	5,233,507
TX SAN DIEGO-ROSITA CRE	222,450	8,808,211	DUVAL; JIM WELLS	1,762,143
TX SULPHUR CREEK(WP)	101,760	445,898	BEE; LIVE OAK; KARNES	1,507,520
TX TEHUACANA CREEK	196,480	6,415,328	HILL; LIMESTONE; MCLENNAN	1,000,000
TX THREE MILE AND SULFE	95,360	8,428,089	CULBERSON; HUDSPETH	1,042,143
TX UPPER LAKE FORK CREE	145,472	4,533,318	HOPKINS; HUNT; RAINS	1,000,000
TX UPPER NORTH BOSQUE R	229,760		ERATH; HAMILTON	1,448,000
TX UPPER SAN MARCOS RIV	60,780	16,291,312	HAYS; COMAL	20,000
UT BLUE CREEK-HOWELL	115,500	6,827,926	BOX ELDER	529,774
UT DRY GULCH-MARTIN LAT	7,625	3,275,670	DUCHESNE; UINTAH	219,510
UT FERRON	191,000	6,215,876	EMERY; SANPETE	1,000,000
UT SAND WASH	20,970	350,573	DUCHESNE	132,422
UT WARNER DRAW	190,500	6,697,486	WASHINGTON	517,340
VA ARARAT RIVER	37,960		PATRICK; CARROLL; SURRY(MC)	5,081,000
VA BUFFALO RIVER	60,500	3,689,943	AMHERST	4,669,938
VA BUSH RIVER	98,772	10,773,395	PRINCE EDWARD	6,597,724
VA CEDAR RUN	65,517	5,496,572	FAUQUIER	5,720,575
VA COPPER CREEK	85,300	1,947,180	RUSSELL; SCOTT	1,102,624
VA CRIPPLE CREEK	79,560	1,466,439	SMYTH; WYTHE	1,614,142
VA GREAT CREEK	29,754	4,434,325	BRUNSWICK; LUNENBURG	354,844
VA HAYS CREEK	49,000	1,059,861	AUGUSTA; ROCKBRIDGE	835,437
VA LICK CREEK	5,650		RUSSELL; DICKENSON; WISE	1,000,000
VA LOONEY-MILL CREEK	19,500	1,202,801	BOTETOURT	290,478
VA PAMUNKEY RIVER	107,000	445,600	KING WILLIAM	1,228,969
VA SANDY CREEK	63,316	1,019,219	PITTSYLVANIA; HALIFAX	20,000
VA SLATE RIVER	98,730	4,094,516	BUCKINGHAM	2,092,651
VA THREE CREEK	26,374	256,972	WASHINGTON	89,439
VA UPPER APPOMATTOX RIV	200,826	1,047,686	APPOMATTOX; BUCKINGHAM; CUMBERLAND; PRINCE EDWARD	20,000
VA UPPER CLINCH VALLEY	36,846	2,499,029	TAZEWELL	20,000
VA WATKINS BRANCH	2,202		BUCHANAN	354,938
VT BARTON AND CLYDE RIV	202,240	1,180,294	ORLEANS; CALEDONIA; ESSEX	1,196,736
VT BLACK RIVER	85,800	1,659,534	ORLEANS; LAMOILLE	513,623
VT LAPLATTE RIVER	36,740	2,988,833	CHITTENDEN	171,429
VT LEMON FAIR RIVER	56,800	1,126,423	ADDISON; RUTLAND	358,579
VT LOWER LAMOILLE RIVER	249,200		CHITTENDEN; FRANKLIN; LAMOILLE	738,265
VT LOWER LAKE CHAMPLAIN	80,420		CHITTENDEN; ADDISON; RUTLAND	451,429
VT LOWER OTTER AND DEAD	67,600	2,907,225	ADDISON	71,807
VT LOWER WINOOSKI RIVER	142,200	816,430	CHITTENDEN; ADDISON	92,410
VT UPPER CASTLETON RIVE	20,500	1,589,771	RUTLAND	1,000,000
WA EAST SIDE GREEN RIVE	73,090	12,705,532	KING	9,109,828
WA EAST WENATCHEE	5,860	92,024	DOUGLAS	486,000



## P.L.566 Projects Currently Underway (cont.)

WA	MARSHLAND	14,006	4,119,622	SNOHOMISH	2,799,056
WA	NEWAUKUM	18,660	1,171,733	KING	709,487
WA	NORTH PINE-SPRING VA	29,959	1,664,578	SPOKANE	1,101,041
WA	PLEASANT VALLEY CREE	28,609	2,231,032	WHITMAN	477,074
WA	REBEL FLAT CREEK	50,940	2,112,327	WHITMAN	1,071,794
WA	TENNILE CREEK	22,590		WHATCOM	2,027,900
WA	TUCANNON RIVER	210,307	256,326	COLUMBIA;GARFIELD	1,859,674
WA	WEST SIDE GREEN RIVE	29,025	2,189,673	KING	6,548,849
WI	PINE RIVER	159,200	9,613,798	RICHLAND;VERNON	6,759,160
WI	UPPER SUGAR RIVER	110,940	430,998	DANE	250,000
WI	UPPER WEST BRANCH OF	49,436	1,077,143	IOWA;GRANT;LAFAYETTE	250,000
WV	BRUSH CREEK	22,293	5,553,549	MERCER	1,443,733
WV	ELK TWOMILE CREEK	8,450	1,641,470	KANAWHA	8,889,566
WV	HARMON CREEK	24,350	13,566,997	BROOKE;HANCOCK;WASHINGTON(PA)	1,000,000
WV	HEADWATERS OF INDIAN	26,230	732,365	MONROE	2,127,031
WV	HOWARD CREEK	58,300	402,179	GREENBRIER	20,000
WV	LITTLE WHITESTICK-CR	9,295	629,343	RALEIGH	7,488,711
WV	MIDDLE GRAVE CREEK	18,900	2,017,299	MARSHALL	20,000
WV	MILL CREEK	123,250	14,558,347	JACKSON;ROANE	11,058,619
WV	OPEQUON	215,680	1,147,092	BERKELEY;JEFFERSON;FREDERICK(VA);CLARKE(VA)	2,043,116
WV	PINEY CREEK-SOAK CRE	3,690	10,214,096	RALEIGH	1,000,000
WV	POCOTALICO RIVER BAS	231,000	8,524,604	ROANE;KANAWHA;PUTNAM;JACKSON	1,000,000
WV	TETER CREEK	34,200	392,802	BARBOUR;TUCKER	1,851,347
WV	TRIBUTARY OF EVITTS	951	5,367,174	JEFFERSON	7,686,542
WV	UPPER BUFFALO CREEK	45,914	9,428,984	MARION	15,479,348
WV	UPPER MUD RIVER	61,590	12,309,825	LINCOLN;BOONE	1,373,189
WV	WHEELING CREEK	191,180	44,026,828	OHIO;MARSHALL;GREENE(PA);WASHINGTON(PA)	459,806
WY	ALLISON DRAW	11,500		LARAMIE	3,427,000

## EMERGENCY WETLAND PROTECTION

Mr. WALSH. Great. A question on the wetlands reserve program that we debated last year and this subcommittee supported. Is there any money still in the pipeline of that money that was appropriated last year?

Mr. JOHNSON. The emergency wetlands money, I believe we have allocated all of that now. We have about 25,000 acres enrolled in it, and as you know, with easements, they take time to finish. I think that all the money on that first round has been allocated.

Mr. WALSH. Is it realistic to think that you will actually be able to spend the money that will be appropriated under this budget in fiscal year 1995?

Mr. JOHNSON. There's been a terrific interest in the wetlands reserve program. In 1992, the pilot project was started. I think there were close to half a million acres that farmers showed interest in putting into wetland reserves.

Interest keeps growing too as we learn more about wetlands and I suspect that the interest is out there to do that.

Mr. WALSH. So you, based on the pilot program, did an assessment, determined what was out there, and determined how much of that demand you can meet with the resources that you had. Do you have a bank of projects that you can now address because of the increased funding?

Mr. LYONS. We have 20 states that are now qualified for the program. We had requests or interest expressed in excess of the resources we previously had available on this.

I know you are aware, Mr. Walsh, when we worked on the farm bill, a target was set for WRP enrollment. We are trying to increase investments so we can respond to demand, and also be responsive to the objectives that were set out as a part of that authorization.

Mr. JOHNSON. I talked with our state conservationist in Iowa yesterday, and he's got over 100 tracts of land that farmers have requested enrollment in the Emergency Wetlands Reserve Program in Iowa alone, that we could not take care of in the first round.

## EMERGENCY MEASURE SUPPLEMENTAL

Mr. WALSH. With the supplemental that was passed earlier in the year, does that augment any of your activities for the next year or two? Will those funds support some of the activities that will be eliminated in this budget?

Mr. JOHNSON. Those funds are to be used for the disaster area, for levee repairs for Emergency Wetlands Reserve Program, and we have quite a backlog of work yet to do in repairing the damages from the flood.

As far as I know, that money is for the flood, the damages from the flood, and the earthquake.

Mr. WALSH. Okay. Yes, I'm aware of that, too. [Laughter.]

## REDUCTION IN EROSION

You cited earlier in your testimony a rather astounding, I think, statistic, and that is that the reduction in erosion per acre has been reduced from 17 down to six tons per acre.

That's remarkable, and it shows that the program has worked. Are you concerned that that figure will begin to reverse now with the diminution of support for soil conservation?

Mr. JOHNSON. No, I don't believe so. I think that there has been a great change in attitude on the land. Farmers who have been farming highly erodible land are much more aware today of some of the practices that they can implement to deal with this issue.

It is remarkable. I think there have been only two times in our history where we have really taken on an issue as large as this, and been successful. The first was back in the 1930's with the dust bowl, and when SCS first was established back then, and we did a massive work to re-heal this land.

But what's gone on in the last ten years I think is equally remarkable, and I'm convinced that farmers will continue to work on these issues.

Because of the 1985 Farm Bill, we've also focused a great deal on research and new technology on how to deal with these issues, and as you know, there has been a great deal of technology that's come on-board in the past ten years.

That's not going to go away. Farmers have adapted it, and it's pretty exciting.

I am somewhat concerned about a lot of the land that's in CRP, although when it comes out, it will be subject to the conservation compliance. It is a big question.

#### CONCERN FOR WATERSHED AND FLOOD PREVENTION OPERATIONS

Mr. WALSH. Just a last statement, it is not a question. I'm just very concerned about the lack of support from the administration for watershed protection and flood protection, and the Chairman has heard me say this over and over.

We in central New York derive most of our water from surface lakes, the Finger Lakes. They are gems, these lakes, absolute gems, and they support tourism, they support commerce, they support all of our activities, and just to get an idea, if the turbidity of those lakes increases, the NY State Department of Environmental Conservation requires that the water be filtered.

So if we don't do basic soil conservation programs on those watersheds, and they are very steep-sided hillside areas, and spend a half a million or a million dollars for watershed protection, we're going to be spending \$40 million and \$50 million for water filtration plants that is going to fall squarely on the local property taxpayer.

So not only do you reduce soil run-off and purify the water, you keep the tax base or the tax burden down on property taxpayers with these projects, so I hope that we can get some money back in to provide for those programs.

Thank you for your testimony.

Mr. DURBIN. Thank you, Mr. Walsh. Mr. Peterson.

Mr. PETERSON. Thank you, Mr. Chairman, and I appreciate your testimony. There was another very subtle, remarkable statement by Mr. Lyons, as a former staffer on an authorization committee. He said that he had worked very closely with the Appropriations Committee in forming this. [Laughter.]

Mr. DURBIN. We have that on the record.



Mr. SKEEN. A whole new era.

Mr. LYONS. Mr. de la Garza authorized that statement, Mr. Peterson. [Laughter.]

Mr. PETERSON. We are looking forward to that same level, well, a little better actually, cooperation for the 1995 bill.

A couple of questions. Incidentally, I'm a very big fan of the conservation efforts of USDA. I think you've done a remarkable job and as Mr. Walsh has noted, the remarkable statistical effort or pay-off, I should say, for the effort.

I do have much the same watershed concerns as some of the others because of the events that occurred last year. I do know that there is some mitigation with the Corps of Engineers and some other agencies that may be able to pick up some of the assistance on that, but it is something I think the Committee's going to have to look at very closely, and you all are going to have to help us in that regard so that we don't fund something that clearly is not justified. At the same time, if some of those programs have been on the books for years and aren't needed, or certainly aren't justified any further, then we need to look at that.

But I think all of us are going to be very, very observant on that, so please stay with us on that as we complete our committee work.

#### WETLANDS RESERVE PROGRAM TRANSITION

With the conversations here, you all have seemed to have assumed administration of the Wetlands Reserve Program. That has been over in ASCS, has it not? Has this transition taken place yet?

Mr. JOHNSON. The actual transition won't take place until reorganization, and those programs are shifted to the Natural Resources Conservation Service, and of course, that depends on all of you.

Mr. PETERSON. But you know, you speak to them as if you are sort of administering them now.

Mr. JOHNSON. We have provided the technical help on the wetland reserve from the start in consultation with the Fish and Wildlife Service, in fact. We also have administered the Emergency Wetlands Reserve Program which we mentioned here just a couple of minutes ago, so we certainly have done a great deal of that.

Mr. PETERSON. Okay. As Mr. Lyons noted, there is some controversy surrounding that, and what are you telling people in regard to this transition? What assurance do the folks have that they aren't going to lose, if you will, access or service in this process?

Mr. LYONS. I would say, Mr. Peterson, that certainly we are operating under the status quo in terms of Departmental operations. ASCS is still in charge of administering CRP, WRP, and the cost-share programs.

We're telling people we would like to see the transition as proposed by Secretary Espy in his reorganization plan because we think it will mean we can provide more efficient and effective services.

I think it's obvious that if there were a single focus and a capability to coordinate all conservation planning and program activities, we could be more efficient in achieving our long-term conservation goals.

But there are certainly differing views on how that should come out, and the actions taken thus far by the Subcommittee in the House and the full Committee in the Senate show different views of how the Department should be restructured, and so we have a ways to go to get that resolved.

But we think it is the most efficient and effective way to go, to put all those conservation tools in one place.

A second function as well is to make a clear and defined commitment on the part of the Department to restoring its conservation leadership which some have questioned in the recent past.

Mr. PETERSON. Well, I support the idea of putting all of this in one basket. This doesn't make any sense to have two masters out there and I think it is confusing actually to even the rural communities that are dealing with these conservation issues.

#### CONSERVATION COMPLIANCE

One of the things that has concerned me is as we've dropped our farm supports, the incentives to join conservation efforts have logically dropped as well for that participation because there is not as big a pay-off.

As I understand it, it has gone from something like perhaps \$60 an acre to maybe \$20 in the participation which may or may not make this an economical venture for that farmer unless of course he is that well-minded and imbued with the conservation mindset.

Are these incentives enough? Are we—I think the Chairman sort of alluded to this, but where are we on this? I see this is a major point in our continuing success in this conservation effort.

Mr. JOHNSON. You bring up a very important point, and one that I think we ought to be concerned with, that if compliance is based on the commodity programs, we do have an uncertain future.

We are finding though that even at today's commodity prices, the vast majority of farmers are staying in the program. I think we figure well over 90 percent will complete their plans by the end of this year, but it is important.

On the other hand, I think that if conservation is really going to work, farmers have to be an important part of it, and they have to believe in it as well. I think the process that we've gone through in the last few years of providing technical help, working directly with farmers, has resulted in a very major change in our country today.

I am finding that farmers throughout this country are caring a great deal about stewardship, and though I can't say that all farmers will continue to be stewards of the land, I think the vast majority of them will. I would like to see us increase our efforts at this educational process to work together with people on the land.

Mr. PETERSON. I agree. I think that the farmers are the best conservationists in the country.

#### CONSERVATION COMPLIANCE APPEALS

I noted in an article that there had been nearly 2,500 farms that had been denied \$23 million in benefits because they hadn't complied. Then on appeal, over \$10 million was restored. That doesn't give you a very good batting record, that is if you have been wrong



in your essential enforcement by nearly 50 percent of the time which of course, is an administrative burden.

And if the appeals are that successful, I would suggest that maybe the initial charge may not be so accurate. Do you have a comment on that?

Mr. LYONS. The appeals process is a difficult one, and it is capable of tying us all into knots. I think it's something that we have to take a good look at.

We do this process in partnership with our sister agency, ASCS, and we certainly intend to continue to do that.

I've talked with the administrator of ASCS and looked at ways in which we can lessen the burden on appeals. The real goal I think is to get conservation on the land, not to find a farmer in or out of compliance, and we need to think about innovative ways to do that.

We're putting together a team to work on that to see whether or not we can move the process along.

Now, farmers who do not comply and who break the law, or break their contract in this case, certainly should not benefit from that. We've seen this for years, and I think that most farmers are concerned about that issue as well.

But the whole appeals process is one that I would urge us all to take a good look at to see if we can't make it work better than it now does.

Mr. PETERSON. I think it's something that you could really focus on.

#### FUTURE OF CONSERVATION RESERVE PROGRAM

The last question, and it may not be a fair one because I'm not sure who's got jurisdiction on this Conservation Reserve Program, but as you know in the 1985 program, we had ten year contracts that are essentially running out.

What is your idea as to the program's success, and then how do we deal with these lands as they come out of contract?

Mr. LYONS. Congressman, we are gearing up to assess our options in terms of the future of CRP. A small percentage of the contracts will come up this next year. I'm not sure of the actual acreage, and I am sure staff can provide that. I think it's about two million acres.

Part of this debate began during deliberations over the 1990 farm bill, and it has continued. Secretary Espy has put together a task force in the Department to determine what our options are in terms of continuing a CRP-type program.

CRP has been very effective over the years in accomplishing a number of things, but it is also a program that's gone through a transition, a philosophical transition.

It started largely to achieve reductions in commodity production, and then over time, evolved to a very specific conservation tool, and we have seen some results. In fact, I had a visit a month or so ago from a group called Pheasants Forever who were pleased with the fact that the pheasant population in the United States is the highest it has been since the turn of the century.

So there are a lot of ancillary benefits that come with it.



I don't know what the short-term answer is. It's a very costly way to achieve conservation. However, I think some form of set-aside program, perhaps akin to the easement programs we're experimenting with now, is an essential part of that conservation tool kit I referred to.

There are going to be places where we have very few options, and we need to be able to afford the landowner the capability and the option to adopt a longer term set-aside to achieve multiple conservation goals.

Mr. PETERSON. One of the things that has troubled me about this is that some of the lands, if not a lot of them, could very conceivably be those urban transition lands that we are all very concerned about as to whether or not they are going to be saved forever, or lost forever for any kind of agricultural purposes.

Mr. JOHNSON. Yes.

Mr. PETERSON. I would like to see somebody at least do an analysis of that and see if that's a problem or not.

There may be a justification for us to target certain lands under CRP that we would wish to put under contract again.

Thank you, Mr. Chairman.

Mr. DURBIN. Thank you. Mr. Skeen.

Mr. SKEEN. Thank you, Mr. Chairman. I apologize for being late. I'm writing a new book. It's called *My Life and Times on the Shirley Highway*. [Laughter.]

I spent a good hour this morning interviewing several people over there, but I have had to bleep out most of it. [Laughter.]

Secretary Lyons and Mr. Johnson, I appreciate the opportunity to visit with you this morning. This agency is near and dear to my heart. I spent a lot of time as a conservation engineer with the Department of Interior. They had an organization called SMOKO which replicated I think SCS's work for the Indian service, and I got a great education and have come to really appreciate the kind of work, particularly the field work, that goes on.

And of course, I thought a lot about engineering and conservation until I talked to a lot of the new characters that we have in the environmental community. There is a big gap between some of what I thought was practical application of environmentalism, and what we call today as saviorism.

So I appreciate the things that you have to go through.

#### GRAZING FEES

Let me ask you this. It may be kind of an off-the-wall question, but one of the things that we're concerned about in our part of the country of course has been the grazing fees on public lands.

We had the Great Plains program and a lot of operators were involved, grazing operators were involved in those programs.

The Secretary of the Interior has come up with a new plan. He wants to increase grazing fees, and we have gone through that battle over here time and time again, but now he wants to initiate an incentive program to decide who have been good stewards, and who have not been good stewards of the grazing lands in the United States.

I think this has some merit. Have they approached, has the Department of the Interior approached SCS in this regard?

Mr. LYONS. They have approached me, Congressman, since the Forest Service, which is also under my jurisdiction, has half the grazing allotments in the United States.

Mr. SKEEN. Yes.

Mr. LYONS. You are well aware of this, since many are in New Mexico.

It is an intriguing idea and one that we want to explore. What we need to decide is the best way to go about that. Frankly, I favor dialogue which would allow us to bring together ranchers and state authorities, local operators, the environmental community as well as the people in the agencies involved to see how we could structure such a program so that we could achieve the goal of providing a true incentive to provide conservation assistance.

So it's something we certainly want to explore, and it is certainly something the Secretary has mentioned to me.

Mr. SKEEN. You have been approached.

Mr. LYONS. Yes.

Mr. SKEEN. Well, that's encouraging, because I don't know of any organization within the Department of Interior at the time that has really that kind of background and expertise to do the kind of judgmental, make the judgmental decisions on just what we're talking about in good stewardship of the land. How we are going to reward these folks by holding their grazing fees down if they were good stewards of the land because grazing practices, as you know, would be very hard to measure in some cases because of the weather cycles and the droughts as well as the good times when we have moisture.

#### FIELD PERSONNEL

So I'm delighted to see that approach has been made. Now I want to ask you about your personnel. You've got a very lean budget in my view, and we have noticed for some time that SCS has curtailed their budgets and held them at pretty much static levels for some years.

Has this caused a great deal of problem in recruiting of the technicians that you need for the field services—the engineers and the conservationists, the soil people and the water people and various groups of that kind?

Has this been very difficult, because we notice that many times we're understaffed in field operations.

Mr. JOHNSON. This problem has caused a great deal of tension especially over the last ten years since we have been dealing with conservation compliance. We have had to shift a number of people from rangeland work, for example, to dealing with the conservation compliance issues.

It's also changed the work pattern of many of our people from being on the land a lot, to being behind computers, for example, and—

Mr. SKEEN. We have noticed that as well.

Mr. JOHNSON. Yes. It's no fun. As we look to the end of 1994, we will still have a fairly large burden with the conservation compliance, but we will be able to release a lot of energy back on to working on the issues that we have traditionally worked on.



Mr. SKEEN. Well, the combination of these offices that we're talking about hasn't always been the easiest effort to accomplish because you folks have large distances to travel, particularly in our part of the country.

Now with the office closings, I think it's going to exacerbate the problem somewhat. I hate to see engineers or conservationists spending a lot of time behind computers, but that's the way of the business these days.

And how is your computer system working, your data system? [Laughter.]

By the way.

Mr. JOHNSON. I think it varies a great deal. I think you will find some offices——

Mr. SKEEN. I've heard that.

Mr. JOHNSON. It's probably true in this building, too.

#### COOPERATION WITH STATES

Mr. SKEEN. Oh, there's no doubt about it, but let me get into the area of the cooperation with states. Give me some idea of how it's working, because they have restricted budgets as well, and one of the last things that they seem to consider is real obligation to get back to the conservation work, particularly the states doing their part of the service and coming up with the money for the SCS operations. Has that been noticeable?

Mr. JOHNSON. It varies a great deal from state to state. Some states are still maintaining a very high level of interest and dollars going into these programs, and other states are having very difficult times.

But our partnerships are strong, and they have never been stronger, and we look forward to continuing along that effort.

Mr. SKEEN. The SCS basic organization groups involving the practitioners are landowners and operators has always been a good one, and the SCS committees have been, I think, one of the best and the strongest parts of the whole skeletal system.

But I can understand that you have some good cooperation.

#### BUY-OUT PROVISION EFFECT

I'm a little concerned about this buy-out provision because you are already personnel poor as far as state operations are concerned, or local operations are concerned. Is this a problem?

Mr. LYONS. Actually, Mr. Skeen, it would help us.

Mr. SKEEN. It would help you.

Mr. LYONS. It would help us, and I will tell you why. We want to keep as many people as we can on the ground. If we're forced to go into a RIF situation, a reduction in force situation, we will be forced to terminate those employees that were hired last according to seniority rules.

Mr. SKEEN. First-in, last-out.

Mr. LYONS. Right, that's last-in, first-out. As a result of that, we will be forced to lay off many of the technical people at the lower grade levels who are out there doing the conservation work we need.

In addition, we will be forced to lay off people who have the diverse skills that we need. For example, we've hired more wildlife



biologists as well as hydrologists, and fisheries biologists in the recent past because we need those skills to help make judgments about interim practices on water quality, so it would be a help there.

The third impact of a RIF, frankly, would be that the more diverse part of our workforce would be impacted adversely because we've made great strides in recent years in hiring more minorities.

The buy-out would afford those who desire to either retire early or terminate their service with SCS because of other reasons, the opportunity to get out ahead of those younger employees and help us avoid that RIF which would really have a devastating impact on our workforce.

Mr. SKEEN. So you think it would be a help.

Mr. LYONS. We would love to see it.

Mr. SKEEN. I can see your rationale for it. What's the grade now that a college graduate, for instance, receives going into the SCS field work. What grade level do they start out? Say engineers, for instance, or soil specialists, or water specialists?

Mr. LYONS. I've been told 5's or 7's.

Mr. SKEEN. That's 5's or 7's.

Mr. LYONS. Yes.

Mr. SKEEN. What's the base pay now for a 5?

Mr. DEWHURST. You're talking about \$20,000.

Mr. SKEEN. \$20,000? Well, you've improved a lot since 1951. [Laughter.]

Mr. JOHNSON. We could probably find a job for you.

Mr. SKEEN. Many more days like today and I'll take it. [Laughter.]

Mr. JOHNSON. You are welcome any time.

#### WETLANDS MEMORANDUM OF UNDERSTANDING

Mr. SKEEN. Your FY 1995 budget justification describes the added responsibilities given to SCS by the Wetlands Memorandum of Understanding making SCS the lead Federal agency for delineating wetlands on agricultural. How many FTEs and staff years will the SCS require to carry out this new responsibility in FY 1995?

Mr. JOHNSON. It is estimated that it will take about 265 staff years of technical assistance starting in fiscal year 1995 to accelerate wetland delineations and fully implement President Clinton's new wetland policy. The majority of these staff positions would be full time people because of the experience and training necessary to complete the work.

Mr. SKEEN. How much will it cost in budget authority and outlays?

Mr. JOHNSON. We are requesting \$15.6 million annually in new budget authority to cover the cost of wetland identification, review, certification, and recertification. Although there would be some lag because of the time it takes to process bills and issue checks, a similar amount would be outlayed each year for this purpose.

Mr. SKEEN. Will any of this work load cost be reimbursable from other Federal agencies.

Mr. JOHNSON. No, none of these activities will be reimbursed from other agencies.

Mr. SKEEN. Thank you very much for your response, and I really appreciate the work that you folks do, because we see you day in and day out, and under the most adverse conditions, and we've got a real strong linkage with you. We don't want to see you dissipate and dry up and blow away. We want you here, because I think it's been a great improvement in the operations, and a lot of technological help that we've really appreciated.

Mr. JOHNSON. We appreciate your support.

Mr. SKEEN. Yes, sir. Thank you, Mr. Chairman.

Mr. DURBIN. Mr. Thornton.

#### ECOSYSTEM BASED APPROACH

Mr. THORNTON. Thank you, Mr. Chairman. Mr. Lyons, I appreciated the statement in your prepared testimony that it is coming to light that we need to promote among landowners an ecosystem-based approach to managing natural resources, to consider how all the pieces fit together, how natural resources and human resources interact.

Why forested and farmlands cannot be treated as entities totally unto themselves, the goal is nothing short of sustainable use of natural resources indefinitely.

I want you to know I agree with that statement. I think it's a good statement. Would you agree that it is not only a good statement for private landowners, but for public lands as well?

Mr. LYONS. Yes, sir, I would agree.

Mr. THORNTON. Would you agree that the provision that I happened to write in the 70's that "the diversity of species should be preserved insofar as possible," is a good statement of public policy?

Mr. LYONS. Yes, I would, Mr. Thornton.

#### CLEAR CUTTING NATIONAL FORESTS

Mr. THORNTON. Last year I introduced a prohibition against clear-cutting—not against seed tree cutting, shelter wood cutting, or other forestry methods—in the national forests in Arkansas as an effort to enhance that provision concerning diversity of species.

Would you think that a statement like that adopted by the Appropriations Committee would have the effect of stopping all harvests of timber in both Arkansas and Oklahoma?

Mr. LYONS. It would certainly have an impact on management practices. It would not stop the harvest of all timber, Mr. Thornton.

Mr. THORNTON. Do you think your people should be circulating that it would have that effect, and that if my amendment were to prevail, that it would have the effect of shutting down all harvests of the national forests?

Mr. LYONS. Well, I would certainly hope that they are not circulating such materials.

Mr. THORNTON. I wish you would check into that, Mr. Lyons.

Mr. LYONS. I certainly will.

Mr. THORNTON. Thank you.

Mr. DURBIN. Let me just add that this is an issue that comes up in Illinois in the Shawnee National Forest.

Mr. THORNTON. Yes.

Mr. DURBIN. I have deferred to my colleague who represents that area, Congressman Poshard, but I continue to have ongoing con-



cern about the fact that it not only is questionable in terms of conservation and forestry practice, but we tend to lose money as we pursue these practices.

It's hard to justify some of the funds that we're putting into forestry and timber sales, losing money and creating these environmental challenges—putting that as mildly as I can—and so I want to align myself with the comments of my colleague from Arkansas because I have similar concerns.

#### TIMBER SALES

Mr. THORNTON. Thank you, Mr. Chairman. A recent study in Arkansas indicated that there were a large number of below cost timber sales, where the cost to the Forest Service of building roads which were used only for the harvest, and then blocked, exceeded the amount of revenues that were received from the sales.

Mr. DURBIN. Mr. Lyons, why don't you comment on that while we're on the subject?

Mr. LYONS. Thank you, Mr. Chairman. Let me point out that first of all, we've seen a significant shift in policy with regard to the use of clear-cutting in recent years. The amount of clear-cutting that occurs on national forest system lands has indeed been reduced significantly.

I agree with your concerns about the efficiency of our timber sales program. It is a concern that I share. For that reason, and normally, of course, this usually comes up in the Interior appropriations discussions, but we have launched a task force effort to try and assess our overall timber sales program and how it could be more efficient and more effective.

We're trying to do that mainly with outside sources so we can get an independent review of the program overall.

I would make this one comment though. As we attempt to manage on an ecosystem basis for multiple resources, we're going to find in some places we have to make greater investments.

Harvesting timber is going to be one of the tools we're going to need to accomplish some of our conservation goals. What we are seeing, for example, in some areas where we have over-harvested and where we've used clear-cutting to too large an extent, we now have to go in and reforest. We now have to go in and put roads to bed that were built 20 years ago to harvest timber, and that is going to require an investment that heretofore we haven't seen.

So in looking at things in this larger context, we're going to have to look at the appropriate use of timber harvesting.

In my mind, timbering should be a management tool, but not our management objective, and that's where I hope we're headed.

Mr. THORNTON. Thank you, Mr. Chairman. I yield back.

Mr. DURBIN. Our colleagues, Congressman Pastor and Congresswoman Vucanovich, could not be here today, but they have questions they would liked answered for the record.

[The questions and responses follow:]

#### WATERSHED AND FLOOD PREVENTION OPERATIONS

Mr. PASTOR. How will ongoing projects be affected by the proposed cuts to the Watershed Operations Program budget?

Response. About 600 projects currently under construction will have no new contracts after July 1, 1994, with the exception of those Federally awarded contracts



where a project agreement has been signed and a contract would be imminently awarded and where funds are available.

Mr. PASTOR. How will projects that are now in the planning stage be affected by the proposed budget cuts in operations funds?

Response. Of the 96 projects that are now in planning, 20 will be locally implemented. Future planning will be on projects that local stakeholders can and will install.

Mr. PASTOR. It seems to me it is highly shortsighted to propose to reduce watershed protection programs at a time when we have established that conservation initiatives are of a high priority. What other alternatives do we have at our disposal to carry out the conservation initiatives presently carried out through watershed protection programs in SCS?

Response. Many of the conservation initiatives presently being carried out through PL 83-566 watershed protection projects, especially those involving non-structural measures, could be installed through other on-going programs. Technical assistance to plan and install needed watershed protection measures could be made available by diverting trained personnel from other areas to provide the needed assistance. Likewise, cost-sharing assistance could be supplied by the Agricultural Conservation Program by assigning a priority on the use of program funds to the watershed area.

Mr. PASTOR. Under the administration's budget proposal, watershed projects would be jeopardized. Would you be able to provide the committee an indication of how different projects would fare in the event Congress reduces watershed funding as recommended by the administration?

Response. About 600 projects currently under construction will have no new contracts after July 1, 1994, with the exception of those Federally awarded contracts where a project agreement has been signed and a contract would be imminently awarded and where funds are available. These 600 projects have some structures, land treatment, or channel work that will not be installed by the Federal Government. Some of these projects will be completed by states and local governments. Furthermore, about 700 projects that have construction completed will not have Federal technical assistance for inspection of operation and maintenance aspects of installed works.

#### NATURAL RESOURCES CONSERVATION SERVICE REORGANIZATION

Mrs. VUCANOVICH. I have heard concerns of farmers in my district about the reorganization plan. In fact, they believe that SCS should fall under the proposed Farm Service Agency, rather than the Natural Resources Conservation Service. Their concern is that this SCS continue to provide technical assistance, rather than becoming a watchdog agency with functions similar to that of the EPA. Would you care to comment?

Response. Yes, I would like to address the concerns that some have expressed about Secretary Espy's USDA reorganization proposal. The proposal purposely does not include the Soil Conservation Service, SCS, as part of the new Farm Service Agency, but proposes to create a separate Natural Resources Conservation Service, NRCS. NRCS would be established by combining the existing SCS and the conservation cost-share programs currently administered by the Agricultural Stabilization and Conservation Service, ASCS. These changes would provide NRCS with a full range of policy and program tools needed to carry out its broad mandate. This mandate involves working with farmers and keeping agricultural-related soil and water resource problems to a minimum. NRCS would remain a technical service agency that emphasizes a voluntary approach and would not become a watchdog agency similar to EPA.

Mrs. VUCANOVICH. Many farmers are concerned that under the reorganization plan, important programs will be kept further out of their reach. How will the Natural Resources Conservation Service keep communities and local farmers involved at the local level?

Response. The reorganization proposal addresses the concern about communities and farmers being involved at the local level. The overall goal has been to accomplish the many and varied USDA missions in an efficient way, while providing appropriate and meaningful services to American citizens in a fiscally responsible manner. NRCS field staff would be located within the same field office as Farm Service Agency in order to streamline services to farmers and avoid duplication of records and conflicting policies. They will continue to work closely with Soil and Water Conservation Districts and other local organizations and committees in the delivery of soil and water conservation programs.

Mr. DURBIN. I want to thank the panel for joining us this morning. Mr. Johnson, welcome to Washington, and keep your roots in Iowa strong, close to the real folks in the Midwest for which we have a mutual high regard. We look forward to working with you and the folks at SCS for a long time to come.

Thank you.

Mr. JOHNSON. Thank you, Mr. Durbin.

Mr. LYONS. Thank you.

# NEWS

United States  
Department of  
Agriculture

Office of  
Public Affairs

News Division  
Room 404-A  
Washington, D.C. 2025

## *Biography*

JAMES ROBERT LYONS  
Assistant Secretary of Agriculture  
for Natural Resources and Environment

James Robert Lyons was sworn in as assistant secretary of agriculture for natural resources and environment on May 12, 1993. He was nominated by President Bill Clinton on March 9 and confirmed by the Senate on May 11. His primary responsibilities are to direct the policies and supervise the activities and programs of the U.S. Department of Agriculture's Forest Service and Soil Conservation Service.

The Forest Service administers programs for applying sound conservation and utilization practices to the national forests and national grasslands, for promoting these practices on all forest lands and for carrying out extensive forest and range research. The Soil Conservation Service has the responsibility for developing and carrying out a national soil and water conservation program in cooperation with landowners, community planning agencies and regional resource groups, and with other federal, state and local government agencies.

Before being appointed to his present position, James Lyons served from 1987 to 1993 as a staff assistant with the House Committee on Agriculture, where he was responsible for the policy and legislative activities of the committee affecting forestry and natural resources, conservation, environmental issues, pesticides, and food safety. Within that period, from 1989 through 1991, he was also the agricultural advisor to [then] Congressman Leon Panetta (D-Calif.).

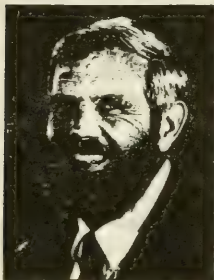
From March through December 1986 he was the staff director for the Subcommittee on Forests, Family Farms, and Energy, Committee on Agriculture. From April 1982 through March 1986 he served as director of Resource Policy for the Society of American Foresters in Bethesda, Md. He was a program analyst with the U.S. Fish and Wildlife Service, U.S. Department of the Interior, 1979-82.

He received a B.S. degree in forest and wildlife management with high honors from Cook College, Rutgers University, in 1977, and a Master of Forestry degree from Yale University in 1979.

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May 1993





## Paul Johnson Chief

Soil Conservation Service  
U.S. Department of Agriculture

Paul W. Johnson was appointed Chief of the Soil Conservation Service in January 1994. Prior to his appointment, he was an Iowa farmer and former state legislator well known as an architect of environmental legislation.

As a representative in the Iowa General Assembly from 1984 to 1990, he was a major architect of Iowa's Groundwater Protection Act, a model used nationwide for its emphasis on research, education, and voluntary approaches to water quality. He also authored the Iowa Resource Enhancement and Protection program (REAP), the Iowa Energy Efficiency Act, and the Iowa Integrated Farm Management Program.

He serves on the Board of Agriculture of the National Academy of Sciences where he has been involved in major studies in agriculture, forestry, and conservation.

Mr. Johnson has been actively involved in conservation issues since he started farming in 1974. He raised corn, hay, and Christmas trees, and had a dairy herd and sheep near Decorah in northeast Iowa. He served as an assistant commissioner for his local soil conservation district. He has been named conservation legislator of the year by several organizations in Iowa and was named to the Iowa Conservation Hall of Fame by the Wildlife Society.

Mr. Johnson believes one of the most important challenges of our time is to learn to live in harmony with the land.

He is a graduate of the University of Michigan, where he received B.S. and M.S. degrees in forestry and pursued doctoral studies in forestry. He taught forestry in Ghana for two years and has worked for the USDA Forest Service in the Pacific Northwest. He has been visiting professor of environmental policy at Luther College.

Studies and consulting work in other countries, in addition to Ghana, include Honduras and Costa Rica, where he studied tropical forest ecology; Sweden, where he studied agriculture, environment, and energy policies on a grant from the Swedish government; and the U.S.S.R., where he traveled in 1991 as a consultant for the Audubon Society Valdai Project on Sustainable Agriculture.

Mr. Johnson, 52, and his wife, Patricia Joslyn Johnson, have three grown children.



**Pearlie S. Reed  
Associate Chief  
Soil Conservation Service  
U.S. Department of Agriculture**

Pearlie S. Reed was appointed associate chief of the Soil Conservation Service on January 3, 1994. A 25-year career employee, he served from 1989 to 1993 as SCS state conservationist in California, where he was responsible for managing, leading, and directing a comprehensive soil, water, and resource conservation and development program for the state. He also led the USDA Drought Task Force in California. He is a 1993 USDA Honor Awards recipient.

A native of Heth, Arkansas, Mr. Reed graduated magna cum laude in 1970 from the University of Arkansas at Pine Bluff with a degree in animal husbandry and agricultural business. He received a master's degree in public administration, with honors, from the American University in Washington, D.C., in 1980.

Mr. Reed began his career with SCS in 1968 as a student trainee at Walnut Ridge, Arkansas. Upon graduation, he went to Wisconsin where he served as an SCS soil conservationist in Kenosha, Racine, and Madison and as district conservationist in Sheboygan. He also served as personnel officer and budget and accounting officer at the SCS state office in Madison.

Mr. Reed served at the SCS National Headquarters in Washington, D.C., from 1977 to 1981 in several positions, including financial manager, budget analyst, and administrative officer. In 1977, he served as administrative officer for the National Agricultural Lands Study. He has also served as state conservationist in Maryland and as deputy state conservationist in Arkansas.

He and his wife Deloris have two daughters.

Statement by James R. Lyons Assistant Secretary for Natural Resources and Environment  
U.S. Department of Agriculture Before the House Subcommittee on Agriculture, Rural  
Development, Food and Drug Administration, and Related Agencies Committee on  
Appropriations, U.S. House of Representatives

Mr. Chairman and Members of the Committee, it is indeed a privilege to appear before you this morning to discuss the 1995 budget for the conservation programs of the Department of Agriculture. I would like to make a few summary remarks and then introduce Paul Johnson, the new Chief of the Soil Conservation Service (SCS), who will present a more detailed discussion of the budget proposal.

The budget proposal that we have submitted reflects this Administration's continuing pledge to bring fiscal responsibility back to government. It takes a long view. It will help us to achieve a government, and a new Soil Conservation Service, that works better and costs less. But Mr. Chairman, and Members of this Committee, we are going to need your assistance if we are going to be able to meet this goal and the primary mission of this agency, which is to help our nation and agriculture be as productive as possible and in harmony with a quality environment.

We would very much like to work with you, our employees, all of our partners, and our customers, and conduct an examination and review of the Soil Conservation Service. The goal of this process would be to build on our past and current strengths to develop a new Soil



Conservation Service that can meet all of our responsibilities reasonably and efficiently, within our budget constraints. We will definitely need your help if we are to successfully undertake this process. I would like to ask for your assistance in this matter, and would hope we could begin getting your views on this type of process and how we might best work together.

I am here today primarily to discuss the FY 95 conservation budget. Let me emphasize that we have developed this budget in a manner consistent with the Secretary's reorganization proposal, which has placed all existing SCS responsibilities -- as well as most of the Department's other conservation responsibilities -- in the proposed Natural Resources Conservation Service (NRCS). This will create many opportunities for streamlining operations and generally make it easier for farmers to get the help they need to keep their operations environmentally sound as well as productive.

But, all of our good intentions aside, Mr. Chairman, this budget reflects difficult choices and tough decisions.

The \$2.9 billion proposed for USDA conservation programs for 1995 is some \$163 million -- or 5 percent -- below the level for Fiscal Year 1994. It includes \$1.8 billion to meet existing commitments related to Conservation Reserve Program contracts and \$1.1 billion for all other USDA conservation programs. It does not include emergency supplementals.

On the positive side, our budget proposal for 1995 emphasizes the Administration's commitment to wetland restoration and voluntary, cooperative efforts. You will notice, in that regard, \$241 million to enroll 300,000 new acres in the Wetlands Reserve Program.

This budget also reflects our commitment to helping farmers meet their environmental challenges by providing approximately \$15 million in additional funds to support our new wetlands delineations responsibilities under the recent wetlands Memorandum of Agreement. The Soil Conservation Service is now the lead federal agency for delineating wetlands on agricultural lands, which is in our minds a major breakthrough for good government. We now must ensure that SCS has the resources to begin the critical process of conducting wetland determinations and inventories, work that has been on hold since May 1991 due to the confusion surrounding the issue of wetlands definition.

The budget also supports continuation of a strong technical assistance capability to help producers implement and maintain their erosion control plans under the highly erodible land conservation program. These technical assistance funds also are used to help farmers, ranchers and many other land users meet a large number of other conservation challenges.

As to the highly erodible land conservation provisions, we are very sensitive to the pressures faced by farmers as they approach December 31, 1994, when they are supposed to have their erosion control practices in place. We want to be sure that SCS can provide farmers with the knowledge and support they need to meet this challenge, and the challenges that they will continue to face as they update and maintain their erosion control plans.

But, there also were some difficult funding decisions that had to be made affecting some long-standing conservation programs. Minimal funds are requested for watershed operations as we begin to phase out ongoing construction work. Funding for certain other traditional cost-share programs such as the Agricultural Conservation Program and the Great Plains Conservation Program will be scaled back and refocused on only the highest priority work.

USDA's conservation programs share this burden with the Department's other responsibilities and with other responsibilities throughout government. The long-term result will be more efficient and effective public service, but in the short-term our employees and our customers will face challenges.

To shed some light on our thinking, let me put these challenges in the context of my five priorities for the next 3 years:



My first priority is people.

People are our most important resource at USDA. Every action we take with regard to our people is with the greatest consideration of their welfare and of the welfare of the public they serve. And we have had to make some tough decisions affecting people.

The budget reductions, plus the management streamlining initiatives arising from the National Performance Review, will reduce the total number of NRCS employees by some 800 to 1,000 nationwide. We are hoping to reduce or eliminate any hardship that might fall on our employees by vigorously pursuing early-out authority and buyouts to encourage voluntary retirements.

We have also sought in whatever way possible to balance these reductions with long-term investments in technology. Let me note that the budget calls for a significant increase -- some \$9 million -- for investments in geographic information system data bases. These investments will help give our people the 21st century technology they'll need to deal with 21st century situations.

We believe that the long-term benefits of a clearer focus on our conservation priorities will outweigh the short-term difficulties for both our employees and our customers. We also believe they are necessary to the long-term well-being of our children, our natural resources, and our nation.

As I mentioned earlier, my second priority is to work with our people, our partners and customers to renew the Soil Conservation Service and define the agency's responsibilities as reasonably as possible. In the months ahead, I will be working closely with Chief Johnson to examine present and future responsibilities of the Soil Conservation Service and how we use the agency's available resources. Our goal, of course, is to bring the agency's resources as close to the customer as possible. To that end, we will invite everyone involved -- our customers, employees, partners, and Congress -- to work with us around the table.

My third priority is ecosystem-based assistance.

Clearly, in terms of environmental responsibilities, what is coming to light is that we need to focus on -- and we need to promote among land owners -- an ecosystem-based approach to managing natural resources. Our challenge today is to consider how all the pieces fit together -- how the natural resources and the human resources interact; why forested and farm lands cannot be treated as entities totally unto themselves; how political borders do not make much difference when water starts to run downhill. The goal is nothing short of sustainable use of natural resources indefinitely.

Ecosystem management emphasizes the interactions among the soil, water, air, plants, and animals -- and it must explicitly recognize and incorporate the human element as well. It recognizes people as integral parts of ecosystems. It is a science-based foundation for natural resources planning and management.

The wetlands conservation component of our budget is a critical part of this ecosystems approach. But wetlands are only one part of a complex mosaic of water issues that we need to tackle in depth.

And that brings me to my fourth priority -- America's waters.

By maintaining our water resource planning capability -- strengthened by our partnerships with state and local government and other natural resource agencies -- we can help our nation's land owners maintain ample supplies of clean water.

Overall, our ecosystem-based approach to natural resource management will lead to installation of practices or adoption of management for cleaner water.

I also want to point out the \$340 million supplemental appropriation for fiscal year 1994 to deal with natural disasters. Most of these funds will be used in support of the continuing efforts to help the Midwest recover from last summer's damaging floods -- specifically, levee repair, farmland restoration, and enrollment of additional acres into the Emergency Wetlands Reserve Program. Assistance will also be provided to residents of California who have suffered as a result of fires and mudslides.

These emergency efforts underscore the point that the decisions we make and actions we take affect the day-to-day lives of millions of Americans. This is one of the most sobering



realities and greatest opportunities we face in the arena of natural resources and environment at USDA. There is only one way to ensure that our decisions and actions are correct and conform with the local natural resource conditions. This is through partnerships -- my fifth priority.

The budget itself suggests no viable option for us to meet the environmental challenges we face other than through the use of strengthened and expanded partnerships. As public servants, we have to be responsible stewards of our money and people just as we have to use those resources in the most effective way for the conservation of natural resources. When those fiscal and human resources are strained, as they are now, we will rely even more on our many conservation partners.

In closing, Mr. Chairman, the Administration's USDA budget proposal for conservation does four things:

1. Faces the reality of the nation's budget situation.
2. Targets the most essential work that needs doing.
3. Makes us look at natural resource problems and the right mix of solutions, not the perpetuation of programs for the programs' sake.
4. Takes us on the path of innovation and change for the good of the taxpayer, the good of agriculture, and the good of the environment.

With that said, I would like to introduce Mr. Paul Johnson. Paul is one of the newest members of Secretary Espy's natural resources team, and I am very excited to have him here at USDA. I can think of no one better to help us come up with solid, practical yet innovative solutions to the many problems we face in this arena. Paul will discuss specific budget items and answer any follow-up questions.

Thank-you very much for the opportunity to speak to you. I look forward to working with you in whatever way I can in the coming months and years on these critical issues.

## SOIL CONSERVATION SERVICE

Statement of Paul W. Johnson, Chief, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Mr. Chairman and members of the Committee, I appreciate the opportunity to be here today to discuss the fiscal year 1995 budget request for the Soil Conservation Service (SCS). My appointment as Chief of SCS was just effective this past January. It is a distinct privilege to serve in this capacity and I look forward to working with you as we move ahead to implement an agenda for conservation in the context of today's economic and environmental challenges.

## MISSION AND ORGANIZATION

The mission of SCS is to provide leadership and administer programs to help people conserve, improve, and sustain natural resources and the environment. Our guiding vision is one of a productive nation in harmony with a quality environment. SCS provides a major component of the Department of Agriculture's conservation assistance, working at the local level with farmers and ranchers as well as urban and rural communities to balance sound environmental management of soil, water, and related resources with sustainable production. Our assistance is technology-based, translating research results and practical experience into on-the-ground solutions through the expertise of a trained professional workforce. SCS technical staff, located primarily at state and county offices, offers a range of specialties such as soil science, economics, engineering, agronomy, biology, range



management, geology and others. This provides an interdisciplinary approach to identifying and solving resource problems and ensures full consideration of alternative conservation treatments, impacts, and benefits. During fiscal year 1993, SCS provided technical assistance to more than 1.2 million producers, other land users, and units of government resulting in conservation treatment on about 62 million acres of land, including cropland, rangeland, pastureland, woodland, and other land.

As an organization, SCS employs about 12,400 full-time people and 2,100 part-time, intermittent and other employees, and has a current appropriation of \$916.0 million, excluding emergency supplemental funds. About 80 percent of the budget goes for technical assistance and 20 percent for cost-sharing and financial assistance provided both to individual land users and units of state and local government primarily through the watersheds and the Great Plains Conservation programs. SCS also provides the technical assistance required to carry out conservation cost sharing programs currently administered by ASCS including the Conservation and Wetland Reserve Programs and the Agricultural Conservation Program. About 50 percent of the SCS workforce, or 6,800 staff years, is located at 2,900 field or county offices which serve as the primary service delivery point. Other program services as well as technical, managerial, and administrative support are provided through area and state offices which include about 42 percent of the total workforce, or about 5,800 staff years. Four regional centers located in Portland, Oregon, Lincoln, Nebraska, Fort Worth, Texas, and Chester, Pennsylvania provide leadership for technical quality assurance and technology transfer to SCS program activities at all levels. The information resources management and software development functions of the agency are carried out at Fort

Collins, Colorado, and headquarters activities are located in Washington, D.C.

#### REORGANIZATION

The FY 1995 budget incorporates a number of initiatives related to USDA reorganization and streamlining plans that will impact the Soil Conservation Service. First and foremost of these is the creation of the Natural Resources Conservation Service (NRCS) which would consolidate all USDA conservation programs currently administered by SCS and ASCS into one agency. As you know, legislation is currently working its way through Congress on this aspect of the Secretary's reorganization proposal. Some planning efforts are underway to ensure a smooth transition to the new agency consistent with the final outcome of this legislation. The primary concern is to continue to deliver USDA conservation programs and services as efficiently and effectively as possible to the benefit of agricultural producers and other traditional USDA program recipients. For the longer term we plan to seek input from both USDA employees and our customers through a series of forums around the country designed to generate ideas for structuring the NRCS and further improving the delivery of USDA conservation services.

For the shorter term, SCS organizational initiatives are identifying options for realigning headquarters operations, and restructuring administrative support functions and managerial levels within the organization. These efforts are in various stages of planning and, at this point, no specific decisions have been made. We do plan to achieve reductions in overall national headquarters staffing levels consistent with Secretary Espy's commitment to begin USDA restructuring at the headquarters level. At

the end of fiscal year 1993, there were 424 employees in Washington, D. C. and 106 employees in Fort Collins, Colorado, performing headquarters functions. USDA streamlining initiatives also include the reform of county based field operations which would create a system of about 2,500 Field Office Service Centers. NRCS field office services will be included in these Service Centers. I would emphasize that in all our restructuring plans, our concern is to accomplish personnel reductions over time through attrition and buy outs, if available, and to minimize the use of costly and disruptive reduction-in-force actions. The 1995 budget for SCS reflects a reduction of \$43.6 million and 730 staff years related to streamlining initiatives.

#### CURRENT ACTIVITIES

In briefly highlighting for the Committee the current activities of the Soil Conservation Service, we would mention three major areas. These are the ongoing effort to implement conservation compliance plans on highly erodible cropland; the new wetlands responsibilities recently assigned to SCS; and the relief effort in the Midwest flood area.

We are rapidly approaching the December 31, 1994 statutory deadline for installation of conservation compliance plans. This has been one of our top priorities and the major single workload consideration of the agency for the past several years. As of the beginning of this fiscal year, conservation practices remain to be installed on 42.6 million acres or 30 percent of the 142 million acres covered under existing compliance plans. Much of this workload involves structural and other more intensive conservation practices that will require on-site assistance by SCS field employees. Obviously, this



will be a major effort for this agency, but we expect that the deadline will be met with a high level of compliance on the part of agricultural producers. After the deadline, SCS will continue to assist with the maintenance and revision of compliance plans to incorporate changes in farm ownership, operations and new technology as well as new USDA farm program participants, and to monitor continued compliance with the provisions of the law. Current workload projections indicate an ongoing commitment of 30 to 40 percent of our field staff time related to conservation compliance on highly erodible cropland.

On January 6, 1994, four federal agencies with wetlands protection responsibilities, signed a new memorandum of agreement recognizing SCS as the lead Federal agency for delineating wetlands on agricultural lands. This action will provide more certainty for farmers and more effective coordination among the federal agencies involved. Basically, farmers will be able to rely on our wetland delineations for purposes of determining the extent of wetlands under both the swampbuster provisions of the 1985 and 1990 farm bills and Section 404 of the Clean Water Act. In ensuring successful implementation of this new policy, our immediate concerns are centered around adequate training for those employees who will be making the delineations; completion of initial wetland determinations which currently cover only about 60 percent of farm tracts operated by USDA program participants; and establishment of processes for the certification and updating of wetland delineations on a 5-year cycle. Our appeals process will also need to be strengthened as we anticipate a higher level of appeals than is currently the case for administration of swampbuster. The budget includes an increase of \$15.6 million and 265 staff years to help with this workload.

Finally, the Midwest flood relief effort is well underway in the 9 states affected by this devastating disaster. To date, SCS has directed assistance under the Emergency Watershed Protection (EWP) program toward immediate threats to life, property, or critical community infrastructure. A total of 2,139 projects have been determined eligible for EWP assistance. These include 1,176 projects for erosion control, 644 projects for debris removal, and 319 projects for levee restoration in the upstream watersheds. Currently, about 42 percent of these projects are either completed or under contract. In addition, SCS received applications to convert 43,680 acres of cropland to wetland under the Emergency Wetland Reserve Program (EWRP). We expect to enroll 25,400 of these acres into the program at a cost of \$15 million for the purchase of easements and restoration assistance.

The supplemental appropriation of \$340.5 million recently provided by the Congress will be used to meet additional needs in the Midwest flood area, in areas of California affected by recent fires and the earthquake, and for other natural disasters. Our first priority for the use of these funds is to provide for an estimated \$37 million in critical exigency EWP needs including \$25 million in the flood area and \$7 million for California. We are in the process of allocating these funds to the States. The Emergency Wetland Reserve Program pilot effort will also be greatly expanded with these new funds. Criteria are being finalized on how best to determine eligibility for repairing the larger agricultural levees as directed by the Conference Committee on the Emergency Supplemental Appropriation. We will continue to coordinate closely with FEMA, the Corps of Engineers, and the other Federal and state agencies involved in the flood recovery effort to assess current progress and to plan for remaining needs including another EWRP sign-up and

the potential impact of additional flooding this spring. We will keep the Committee informed of progress in this effort.

#### FY 1995 BUDGET PROPOSALS

The President's fiscal year 1995 budget request for the Soil Conservation Service is \$720.6 million, a net funding decrease of \$196 million or about 21 percent below the 1994 appropriation level, excluding the recently enacted emergency supplemental. Clearly this budget reflects a significant reordering of priorities driven by the current fiscal situation. SCS technical assistance and planning capabilities are maintained while watershed project activities and other financial assistance would be eliminated or reduced. There would be staff reductions in the range of 7 to 9 percent tied both to streamlining initiatives and to proposals to eliminate the watersheds programs. The budget includes a major emphasis on the protection of wetlands as well as some proposed investments in technology such as geographic information systems designed to improve services and gain efficiency within a leaner organization.

Funding for Conservation Operations is proposed at \$639.6 million, an increase of \$48.5 million or about 8 percent above the current level. A major portion of this increase results from a proposed shift in the source of funding for SCS technical assistance that supports conservation cost share programs administered by ASCS. Currently, these funds are appropriated to ASCS and transferred to SCS through reimbursable agreements. Under the 1995 budget, these appropriations would come directly to SCS as part of the Conservation Operations appropriation. The bottom line is that this account



would fund a total, including reimbursable work, of 10,900 staff years or about the same level we expect to have in FY 1994. For SCS as a whole there would be staff reductions. Conservation Operations provides about 80 percent of total SCS employment and 90 percent of our staffing in local field offices. SCS technical assistance would emphasize the protection of wetlands including the strengthened delineation responsibility mentioned earlier and assistance for a 300,000 acre enrollment under the regular Wetland Reserve Program. Other priorities continue to include support for maintenance of conservation compliance plans, water quality, and assistance to urban and rural communities for the protection of soil and water resources.

Other 1995 budget proposals include the elimination of the Watershed and Flood Prevention Operations program, excluding the emergency watershed protection program which will continue as necessary, and reductions in Watershed Planning, River Basin Surveys, Great Plains Conservation, and Resource Conservation and Development. Planning assistance carried out under Watershed Planning and River Basin Surveys would remain available to state and local agencies for the management and protection of water resources with emphasis on water quality protection and improvement. All existing Great Plains Conservation Program contracts would be honored but new contracting with landowners would be severely limited. All current RC&D areas would continue to receive technical assistance provided by SCS area coordinators but no financial assistance would be provided. The attached table provides a summary of the 1995 budget proposal for SCS by program and account compared to the 1994 appropriation level.

Thank you Mr. Chairman. We will be happy to respond to your questions.

## SOIL CONSERVATION SERVICE

FY 1995 Budget

(In thousands of dollars)

Appropriation	FY 1993	FY 1994	FY 1995		
	Actual	Current Estimate	Pay Cost Increases	Program Changes	Total Request
CONSERVATION OPERATIONS:					
1. Technical Assistance.....	\$490,409	\$502,565	+\$6,308	+\$41,003	\$549,876
2. Soil Surveys.....	72,554	73,904	+836	+518	75,258
3. Snow Surveys and Water Forecasting.....	5,713	5,820	+50	-114	5,756
4. Operation of Plant Materials Centers.....	8,064	8,889	+69	-213	8,745
Total, Conservation Operations.....	576,740	591,178	+7,263	+41,194	639,635
RIVER BASIN SURVEYS AND INVESTIGATIONS:					
1. USDA Cooperative Studies.....	7,689	7,820	--	-1,440	6,380
2. Flood Plain Management Assistance.....	3,454	3,505	--	-645	2,860
3. Interagency Coordination and Program Formul	2,108	2,157	--	-397	1,760
Total, River Basin Surveys and Investigations.	13,251	13,482	--	-2,482	11,000
WATERSHED PLANNING AUTHORIZED BY PL-566.....	9,545	10,921	--	-3,521	7,400
WATERSHED AND FLOOD PREVENTION OPERATIONS:					
1. Watershed Operations Authorized by PL-534:					
a. Technical Assistance.....	16,438	17,785	--	-17,785	--
b. Financial Assistance for Construction...	23,754	22,921	--	-22,921	--
c. Loan Services.....	80	80	--	-80	--
Subtotal, Flood Prevention.....	40,272	40,786	--	-40,786	--
2. Emergency Watershed Protection Operations..	73,144	28,631	--	-28,631	--
3. Small Watersheds Authorized by PL-566:					
a. Technical Assistance.....	63,663	65,447	--	-40,447	25,000
b. Financial Assistance for Construction...	101,343	106,928	--	-106,928	--
c. Loan Services.....	172	173	--	-173	--
Subtotal, Watershed Operations.....	165,178	172,548	--	-147,548	25,000
Total, Watershed & Flood Prevention Operations	278,594	241,965	--	-216,965	25,000
GREAT PLAINS CONSERVATION PROGRAM:					
1. Cost-sharing Assistance.....	16,365	16,365	--	-14,320	2,045
2. Cost-share Programming and Contract Admin..	2,850	2,974	+32	-161	2,845
3. Technical Assistance.....	6,056	6,319	+68	-340	6,047
Total, Great Plains Conservation Program.....	25,271	25,658	+100	-14,821	10,937
RESOURCE CONSERVATION AND DEVELOPMENT:					
1. Technical Assistance.....	29,949	28,343	+291	-2,532	26,102
2. Financial Assistance.....	2,507	4,542	--	-4,542	--
3. Loan Services.....	60	60	--	-5	55
Total Resource Conservation and Development...	32,516	32,945	+291	-7,079	26,157
Subtotal, SCS Appropriated Funds.....	935,917	916,149	+7,654	-203,674	720,129
RURAL ABANDONED MINE PROGRAM.....	(13,385)	(13,233)	--	(-13,233)	--
TRUST FUNDS.....	403	501	--	-54	447
TOTAL, SOIL CONSERVATION SERVICE.....	\$936,320	\$916,650	+\$7,654	-\$203,728	\$720,576

NOTE: The FY 1994 Current Estimate excludes \$25 million in Emergency Watershed Protection funds that were made available in 1994 from the 1993 Supplemental Appropriations Act and \$340.5 million supplemental appropriated in FY 1994.

## SOIL CONSERVATION SERVICE

Purpose Statement

The Soil Conservation Service (SCS) was established pursuant to Public Law 74-46, known as the Act of April 27, 1935, (16 U.S.C. 590a-590f). Technical programs are carried out in cooperation with conservation districts and other sponsoring local organizations. SCS provides technology transfer through soil conservation districts to landusers, communities, watershed groups, Federal and State agencies, and other cooperators with erosion control and water management problems to bring about needed land treatments and physical adjustments in land use. The purpose is to improve and conserve soil and water resource quantity and quality, improve agriculture, and reduce damage caused by floods and sedimentation.

The Soil Conservation Service has general responsibility for administration of the following programs of the Department of Agriculture:

Conservation Operations is authorized by Public Law 74-46 (16 U.S.C. 590a-590f). Activities include:

1. Conservation technical assistance provided to district cooperators and other landusers in the planning and application of conservation treatments to control erosion and improve the quantity and quality of soil resources, improve and conserve water, enhance fish and wildlife habitat, conserve energy, improve woodland, pasture and range conditions, and reduce upstream flooding; all to protect and enhance the natural resource base.

Information regarding national inventories and appraisals of the resource base are provided to states, districts and other organizations. Technical assistance is provided to monitor and develop effective conservation programs.

2. Soil Surveys are made to inventory the Nation's basic soil resources and to determine land capabilities and conservation treatment needs. Soil survey publications include interpretations useful to cooperators, other Federal agencies, State and local organizations.

3. Snow survey and water forecasting from basic data collected to provide estimates of annual water availability from high mountain snow packs and relating this to summer stream flow in the western States and Alaska. Information is used by agriculture, industry, and cities in estimating future water supplies.

4. Operation of plant materials centers to assemble, test, and encourage increased use of plant species which show promise for use in the treatment of conservation problem areas.

River Basin Surveys and Investigations

This program is authorized by the Watershed and Flood Prevention Act, Public Law 83-566, Section 6, August 4, 1954, (16 U.S.C. 1006).

The program involves cooperation with other Federal, State, and local agencies in the conduct of river basin surveys and investigations, flood hazard analysis, and flood plain management assistance to aid in the development of coordinated water resource programs, including the development of guiding principles and procedures. SCS represents the Department on river basin regional entities and River Basin Interagency Committees for coordination among Federal Departments and States.

Watershed Planning

This activity is carried out under the Watershed and Flood Prevention Act, as amended, Public Law 83-566, August 4, 1954, (16 U.S.C. 1001-1008). The program consists of (a) making preliminary investigations to assess proposed small watershed



projects in response to requests made by sponsoring local organizations and (b) providing assistance to sponsors in the development of watershed work plans. SCS is responsible for development of guiding principles and procedures.

Watershed and Flood Prevention Operations. Activities under this program include:

1. Watershed Operations authorized by Public Law 78-534

SCS administers watershed works of improvement authorized by the Flood Control Act of 1944 (33 U.S.C. 701b-1).

Flood prevention operations include planning and installing works of improvement for flood prevention and for the conservation, development, utilization, and disposal of water. This may also include the development of recreational facilities and the improvement of fish and wildlife habitat. Activities are authorized in 11 specific flood prevention projects covering about 11 million acres.

2. Emergency Operations authorized by Section 216, Public Law 81-516, (33 U.S.C. 701b-1) and Sections 403-405, Public Law 95-334, (16 U.S.C. 2203-2205)

Emergency operations provide for the installation of emergency measures for runoff retardation and soil-erosion prevention, in cooperation with landowners and landusers, as the Secretary deems necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed whenever fire, flood, or any other natural occurrence is causing or has caused a sudden impairment of that watershed.

3. Small Watersheds authorized by Public Law 83-566, as amended, (16 U.S.C. 1001-1008)

This program provides for cooperation with local sponsors, State, and other public agencies in the installation of planned works of improvement in approved watershed project. Such works of improvement reduce erosion, floodwater, and sediment damage. They also further the conservation, development utilization, and disposal of water, including the development of multipurpose facilities for such uses as recreation, improvement of fish and wildlife habitat, irrigation, and water supply to municipal and industrial users..

Great Plains Conservation Program

The Great Plains Conservation Program is authorized by Public Law 84-1021, as amended, (16 U.S.C. 590p (b)). The program's objective is to bring about a long-term solution to problems resulting from drought and the cultivation of land unsuited for sustained crop production in the 10 Great Plains States. Activities include:

1. Cost-sharing of permanent conservation practices under long-term contracts with farmers and ranchers in designated counties in the 10 Great Plains States.
2. Cost-share programming and contract administration and technical assistance to help make needed land use adjustments and install conservation measures specified in basic conservation plans in accordance with contract schedules.

Resource Conservation and Development Program

Section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703), (7 U.S.C. 1010-1011) and Sections 1528-1538 of the Agriculture and Food Act of 1981 (Public Law 97-98) provide authority to assist locally sponsored Resource Conservation and Development Projects to conduct programs of land conservation and use in areas where acceleration of present conservation activities are needed and where projects add economic opportunities to the people.

Program Administration: The Soil Conservation Service maintains its central office in Washington, D.C. Most of its activities are carried out in about 3,050 field offices in the 50 States, Puerto Rico, and the Pacific Basin Area serving Guam, the Northern Mariana Islands, and American Samoa. Four technical service centers provide program coordination and technical support. This includes services such as engineering, watershed planning, cartographic work, soil mechanics laboratories, information, professional help in agronomy, soils, biology, forestry, plant materials, range conservation, and other technical work. As of September 30, 1993, there were 12,369 full-time employees and 2,075 part-time, intermittent, and other employees. Of these 428 full-time employees and 29 other employees were located in Headquarters, Washington, D.C.

Soil Conservation Service  
Available Funds and Staff-Years  
1993 and Estimated, 1994 and 1995

ITEM	1993 Actual		1994 Estimated		1995 Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Soil Conservation Service:						
Conservation Operations <sup>2/</sup>	\$601,494,113	10,848	\$611,567,000	10,492	\$639,635,000	10,473
River Basin Surveys and Investigations.....	13,251,000	207	13,482,000	205	11,000,000	164
Watershed Planning.....	9,545,000	143	10,921,000	159	7,400,000	107
Watershed and Flood Prevention Operations.	278,594,000	1,602	266,965,000	1,512	25,000,000	371
Great Plains Conservation Program.....	25,271,000	171	25,658,000	169	10,937,000	158
Resource Conservation and Development.....	32,516,000	525	32,945,000	477	26,157,000	407
Total.....	960,671,113	13,496	961,538,000	13,014	720,129,000	11,680
<u>Obligations under other</u>						
<u>USDA appropriations:</u>						
Reimbursements for technical services to:						
Foreign Details and Assignments (OICD)...	922,891	14	952,000	14	952,000	14
Soil Survey (FS).....	214,409	5	221,000	5	221,000	5
Accelerate Soil Survey	380,205	6	392,000	6	392,000	6
Snow Survey and Water Forecasting.....	6,000	--	6,000	--	6,000	--
Other: planning and application.....	6,239,070	2	2,973,000	3	4,476,852	80
Hazardous Waste Mgmt.	352,676	--	250,000	--	--	--
Reimbursement for other services for:						
Facilities: Rent, phone, utilities, etc	6,322,151	--	6,522,000	--	6,522,000	--
Proceeds of sales.....	225,441	--	197,000	--	184,000	--
Miscellaneous.....	2,073,833	23	2,105,000	23	2,105,000	23
Total, Other USDA Appropriations...	16,736,676	50	13,618,000	51	14,858,852	128
Total, Agriculture Appropriations...	977,407,789	13,546	975,156,000	13,065	734,987,852	11,808
<u>Obligations under other</u>						
<u>Federal appropriations:</u>						
Reimbursement for technical services for:						
Soil surveys(Interior)	898,909	17	926,000	17	926,000	17
Accelerate Soil Survey	707,187	12	711,000	12	711,000	12
Other: planning and application.....	2,864,605	45	2,479,000	47	1,940,000	26
Snow Survey and Water Forecasting.....	54,507	1	56,000	1	56,000	1
Plant Materials Center Operations.....	103,900	2	53,000	2	53,000	2
Cooperative surveys-RB	47,500	1	49,000	1	49,000	1
Flood Insurance Studies (HUD).....	207,300	5	210,000	5	210,000	5
Reimbursement for other services for:						
Facilities: Rent, phone, utilities, etc	77,146	--	79,716	--	82,716	--
Proceeds of sales.....	122,265	--	156,400	--	146,400	--



## Available Funds and Staff-Years 1993 and Estimated, 1994 and 1995 - Continued

ITEM	1993 Actual		1994 Estimated		1995 Estimated	
	Amount	Staff: Years	Amount	Staff: Years	Amount	Staff: Years
Financial assistance..	1,868,344:	--:	1,614,000:	--:	--:	--
Miscellaneous.....	5,130,535:	71:	5,746,724:	71:	5,649,724:	69
Allocation from Other	:	:	:	:	:	:
Federal Agencies:	:	:	:	:	:	:
Rural Abandoned Mine	:	:	:	:	:	:
Program (DOI-OSM)....	13,377,017:	--:	13,378,953:	--:	--:	--
Obligations under non-	:	:	:	:	:	:
Federal Funds:	:	:	:	:	:	:
Reimbursement for	:	:	:	:	:	:
technical service for:	:	:	:	:	:	:
Planning & application:	2,675,987:	60:	2,884,000:	61:	2,710,000:	61
Accelerate Soil Survey:	2,474,569:	52:	2,547,000:	52:	2,547,000:	52
Snow Survey and Water	:	:	:	:	:	:
Forecasting.....	39,992:	--:	63,000:	--:	63,000:	--
Plant Materials Center	:	:	:	:	:	:
Operations.....	243,556:	--:	250,000:	--:	250,000:	--
Watershed Planning....	123,111:	2:	173,000:	2:	173,000:	2
Abandon Mine Program..	1,668:	--:	10,000:	--:	--:	--
Reimbursement for other	:	:	:	:	:	:
non-federal services	:	:	:	:	:	:
for:	:	:	:	:	:	:
Facilities: Rent,	:	:	:	:	:	:
phone, utilities, etc	1,077,438:	--:	1,109,000:	--:	1,109,000:	--
Proceeds of sales.....	735,377:	--:	709,000:	--:	676,000:	--
Financial Assistance..	15,192,464:	--:	8,152,000:	--:	--:	--
Miscellaneous.....	5,101,285:	79:	5,102,000:	82:	4,988,000:	76
Trust funds:	:	:	:	:	:	:
Small Watershed & RC&D	:	:	:	:	:	:
projects and soil	:	:	:	:	:	:
surveys.....	402,682:	6:	501,000:	8:	447,000:	7
Total Reimbursements	:	:	:	:	:	:
and Other Funds....	70,264,020:	403:	60,577,793:	412:	37,645,692:	459
Total, Soil Conservation	:	:	:	:	:	:
Service.....	\$1,030,935,133:	13,899:	\$1,022,115,793:	13,426:	\$757,774,692:	12,139

	1993 Actual	1994 Estimated	1995 Estimated
Full-Time Equivalent Staff-Years:			
Ceiling.....	13,899	13,426	12,139
Non-ceiling.....	69	54	17
Total.....	13,968	13,480	12,156

- 1/ Conservation Operations - Excludes \$0 carryover for FY 1993 and \$8,595,854 carryover for FY 1994.  
Watershed and Flood Prevention Operations - Excludes \$85,746,759 carryover for FY 1993 and \$82,513,646 carryover for FY 1994.  
Great Plains Conservation Program - Excludes \$363,506 carryover for FY 1993 and \$228,430 carryover for FY 1994.  
Resource Conservation and Development - Excludes \$2,625,281 carryover for FY 1993 and \$2,297,802 carryover for FY 1994.
- 2/ FY 1993 and 1994 were adjusted for comparability to reflect the FY 1995 budget proposal to fund technical assistance for USDA conservation cost-share programs in the Conservation Operations program.

UNITED STATES DEPARTMENT OF AGRICULTURE  
SOIL CONSERVATION SERVICE

Permanent Positions by Grade and Staff-Year Summary

1993 and Estimated 1994 and 1995

Grade	1993			1994			1995		
	Head- qtrs :	Field :	Total 1/ :	Head- qtrs :	Field :	Total 1/ :	Head- qtrs :	Field :	Total 1/ :
ES-6.....	2:	0:	2:	2:	0:	2:	2:	0:	2
ES-5.....	8:	0:	8:	8:	0:	8:	8:	0:	8
ES-4.....	8:	1:	9:	8:	1:	9:	8:	1:	9
ES-3.....	0:	2:	2:	0:	2:	2:	0:	2:	2
ES-2.....	1:	0:	1:	1:	0:	1:	1:	0:	1
ES-1.....	4:	2:	6:	4:	2:	6:	4:	2:	6
GS/GM-15.....	72:	68:	140:	71:	65:	136:	64:	59:	123
GS/GM-14.....	115:	169:	284:	118:	163:	281:	107:	147:	254
GS/GM-13.....	118:	642:	760:	117:	636:	753:	106:	575:	681
GS-12.....	41:	2,112:	2,153:	40:	2,092:	2,132:	36:	1,891:	1,927
GS-11.....	28:	3,561:	3,589:	28:	3,528:	3,556:	25:	3,189:	3,214
GS-10.....	7:	16:	23:	7:	16:	23:	6:	14:	20
GS-9.....	22:	2,060:	2,082:	20:	2,042:	2,062:	18:	1,846:	1,864
GS-8.....	4:	431:	435:	4:	427:	431:	4:	386:	390
GS-7.....	42:	1,944:	1,986:	39:	1,927:	1,966:	35:	1,742:	1,777
GS-6.....	39:	906:	945:	36:	897:	933:	33:	811:	844
GS-5.....	11:	792:	803:	11:	784:	795:	10:	709:	719
GS-4.....	11:	405:	416:	11:	401:	412:	10:	363:	373
GS-3.....	1:	90:	91:	1:	89:	90:	1:	80:	81
GS-2.....	0:	13:	13:	0:	13:	13:	0:	12:	12
GS-1.....	2:	4:	6:	1:	4:	5:	1:	4:	5
Other Graded Positions.....	7:	0:	7:	7:	0:	7:	6:	0:	6
Ungraded Positions.....	0:	43:	43:	0:	43:	43:	0:	39:	39
Total Permanent Positions.....	543:	13,261:	13,804:	534:	13,132:	13,666:	485:	11,872:	12,357
Unfilled Positions end-of-year.....	-13:	-809:	-822:	-13:	-801:	-814:	-12:	-724:	-736
Total, Permanent Employment, end-of-year.....	530:	12,452:	12,982:	521:	12,331:	12,852:	473:	11,148:	11,621
Staff-Years:									
Ceiling.....	530:	13,369:	13,899:	521:	12,905:	13,426:	480:	11,659:	12,139

1/ Excludes positions for Rural Abandoned Mine Program.

## SOIL CONSERVATION SERVICE

CLASSIFICATION BY OBJECTS1993 and Estimated 1994 and 1995

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
<u>Personnel Compensation</u>			
Headquarters.....	\$ 27,367,015	\$28,109,000	\$23,889,000
Field.....	437,524,307	447,269,000	417,135,000
11 Total personnel compensation.....	464,891,322	475,378,000	441,024,000
12 Personnel benefits.....	104,454,806	108,917,000	104,361,000
13 Benefits for former personnel.....	468,946	462,000	444,000
Total personnel compensation & benefits	569,815,074	584,757,000	545,829,000
<u>Other Objects</u>			
21 Travel.....	21,452,622	21,622,000	19,504,000
22 Transportation of things.....	4,170,055	4,226,000	4,055,000
23.2 Rental payments to others.....	12,668,430	11,872,000	11,026,000
23.3 Communications, utilities and miscellaneous charges.....	21,503,026	22,695,000	21,447,000
24 Printing and reproduction.....	4,732,682	4,791,000	4,623,000
25.1 Consulting services.....	--	385,000	385,000
25.2 Other services.....	67,340,396	69,482,000	62,554,000
25.2 Construction contracts.....	126,391,310	181,451,000	--
26 Supplies and materials.....	18,399,911	18,528,000	15,670,000
31 Equipment.....	36,723,429	42,997,000	31,200,000
32 Land and structures.....	658,519	1,032,000	606,000
41 Grants, subsidies, and contributions	64,167,051	87,118,000	2,045,000
42 Insurance claims and indemnities....	123,514	126,000	131,000
43 Interest and dividends.....	25,696	25,000	16,000
44 Refunds.....	--	--	--
Total other objects.....	<u>378,356,641</u>	<u>466,350,000</u>	<u>173,262,000</u>
Total direct obligations.....	<u>\$948,171,715</u>	<u>\$1,051,107,000</u>	<u>\$719,091,000</u>

Position Data

Average Salary, ES positions	\$104,970	109,059	111,447
Average Salary, GM/GS positions	\$37,583	39,047	39,902
Average Grade, GM/GS positions	9.71	9.422	9.429



UNITED STATES DEPARTMENT OF AGRICULTURE  
Soil Conservation Service

Personnel Summary  
FY 1993 Actual

	<u>Agency</u> <sup>1/</sup>	<u>Full-Time</u>	<u>Other</u>	<u>Overtime &amp; Holidays Worked</u>	<u>Total Staff Years</u>
Conservation Operations	SCS	9,004	924	17	9,945
River Basin Surveys and Investigations.....	SCS	181	14	--	195
	FS	7	1	--	8
	Subtotal	188	15	--	203
Watershed Planning.....	SCS	135	4	--	139
	FS	1	--	--	1
	Subtotal	136	4	--	140
Watershed and Flood Prevention Operations	SCS	1,454	84	52	1,590
	FmHA	7	--	--	7
	FS	25	8	1	34
	Subtotal	1,486	92	53	1,631
Great Plains Conserva- tion Program.....	SCS	161	6	--	167
Resource Conservation and Development.....	SCS	438	72	--	510
	FmHA	2	--	--	2
	FS	3	--	--	3
	Subtotal	443	72	--	515
Total Direct Program...	SCS	11,373	1,104	69	12,546
	FmHA	9	--	--	9
	FS	36	9	1	46
	Subtotal	11,418	1,113	70	12,601
Reimbursable Programs..	SCS	997	117	--	1,114
Miscellaneous Contri- buted Funds.....	SCS	4	2	--	6
Allocation from DOI (Abandoned Mine).....	SCS	76	6	--	82
Total Program.....	SCS	12,450	1,229	69	13,748
	FmHA	9	--	--	9
	FS	36	9	1	46
	Total	12,495	1,238	70	13,803

1/ SCS: Soil Conservation Service  
FS: Forest Service  
FmHA: Farmers Home Administration



	Total Obligations	Conservation Operations	River Basin Surveys and Investigations	Watershed Planning	Watershed Prevention Operations	Great Plains Conservation Program	Resource Conservation and Development
<b>Organizational Summary:</b>							
Washington Headquarters.....	\$61,044	\$46,658	\$1,117	\$571	\$10,326	\$598	\$1,774
State Offices.....	88,516	63,635	1,837	1,759	16,343	864	4,078
State Technical Specialists.....	51,994	39,096	2,373	1,859	7,931	274	461
Technical Service Centers.....	35,983	26,977	677	1,183	6,324	224	598
Plant Materials Centers.....	7,049	6,987	--	--	62	--	--
Other National Units.....	12,543	11,207	--	3	1,333	--	--
Miscellaneous State Units.....	33,982	10,073	4,816	3,316	14,396	59	1,322
Area Office Staffs.....	86,579	72,326	435	43	10,519	1,321	1,935
Miscellaneous Area Units.....	60,120	28,380	78	12	13,858	--	17,792
Field Office Staffs.....	292,949	282,806	1,066	471	20,754	5,667	2,185
TOTAL SCS.....	730,759	568,145	12,399	9,217	101,846	9,007	30,145
Cost-Share/Construction.....	192,659	--	--	--	174,212	16,399	2,048
TOTAL SCS OBLIGATIONS NET...	923,418	568,145	12,399	9,217	276,058	25,406	32,193
FmHA.....	313	--	--	--	253	--	60
F.S.....	6,471	--	793	301	4,786	--	591
Subtotal.....	6,784	--	793	301	5,039	--	651
TOTAL OBLIGATIONS, NET OF REIMBURSEMENTS.....	\$930,202	\$568,145	\$13,192	\$9,518	\$281,097	\$25,406	\$32,844

NOTE: The above table does not reflect proposed legislation to transfer the administration of ASCS cost-share programs to SCS.



## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Conservation Operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed \$100; purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [\$591,049,000] \$639,635,000, to remain available until expended (7 U.S.C. 2209b); of which not less than [\$5,820,000] \$5,756,000 is for snow survey and water forecasting and not less than [\$8,214,000] \$8,745,000 is for operation and establishment of the plant materials centers: Provided, That except for \$2,399,000 for improvements of the plant materials centers, the cost of any permanent building purchased, erected, or as improved, exclusive of the cost of constructing a water supply or sanitary system and connecting the same to any such building and with the exception of buildings acquired in conjunction with land being purchased for other purposes, shall not exceed \$10,000, except for one building to be constructed at a cost not to exceed \$100,000 and eight buildings to be constructed or improved at a cost not to exceed \$50,000 per building and except that alterations or improvements to other existing permanent buildings costing \$5,000 or more may be made in any fiscal year in an amount not to exceed \$2,000 per building: Provided further, That when buildings or other structures are erected on non-Federal land that the right to use such land is obtained as provided in 7 U.S.C. 2250a: Provided further, that this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590o, 590p(a), 590p(f) and 590p(q); the Water Bank Act, as amended (16 U.S.C. 1301-1311); Section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c); sections 401, 402, and 404 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205), and title XII of the Food Security Act of 1985 as amended (16 U.S.C. 3811 et seq.); Provided further, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a-590f) in demonstration projects: Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed \$25,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e-2).

The change in language provides authority to fund the technical assistance portion of the Conservation Reserve Program, the Wetland Reserve Program, the Agricultural Conservation Program, the Water Bank Program, the Emergency Conservation Program and the Colorado River Basin Salinity Control Program as part of the Conservation Technical Assistance program. These costs are currently provided within the cost share appropriation accounts, and the technical assistance is carried out as a reimbursable program activity of the Conservation Technical Assistance program.

Conservation Operations

Appropriations Act, 1994.....	\$591,049,000
Agency Request, 1995.....	639,635,000
Increase in Appropriation.....	<u>+ \$48,586,000</u>

## Adjustments in 1994:

Appropriations Act, 1994.....	\$591,049,000	
Transfer from Rental Payments (USDA) Account		
for Non-GSA buildings a/.....	+245,467	
Transfer to the Departmental Secretary's Office		
per provisions of the 1994 Appropriations Act b/..	-116,000	
Transfer from ASCS to reflect the Fiscal Year 1995		
proposal to fund technical assistance for USDA		
conservation cost share programs in the		
Conservation Operations program.c/.....	<u>+20,634,000</u>	
Adjusted base for 1994.....		\$611,812,467
Budget Estimate, 1995.....		<u>639,635,000</u>
Increase over adjusted 1994.....		<u><u>+ \$27,822,533</u></u>

- a/ Funds were transferred from the Rental Payments (USDA) account for leases reassigned by GSA to SCS in 1993 and 1994.
- b/ Public Law 103-111 provided that the Secretary may transfer salaries and expenses funds in the 1994 Appropriations Act sufficient to finance not to exceed 35 staff years between agencies of the Department of Agriculture to meet workload requirements. The \$116,000 transfer from the Soil Conservation Service would fund about 1 staff year.
- c/ The fiscal year 1995 budget proposes to fund the SCS technical assistance for USDA conservation cost share programs currently administered by the Agricultural Conservation and Stabilization Service and paid for by reimbursable agreement as a direct Conservation Operations program activity starting in 1995.

SUMMARY OF INCREASES

(on basis of adjusted appropriation)

Item of Change	1994		Other		1995	
	Estimated	Pav Cost	Changes	Estimated	Estimated	Estimated
Technical assistance.....	\$523,199,467	+\$6,308,000	+\$20,368,533	\$549,876,000		
Soil survey.....	73,904,000	+836,000	+518,000	75,258,000		
Snow survey and water forecasting.	5,820,000	+50,000	-114,000	5,756,000		
Operation of plant materials ctrs.	8,889,000	+69,000	-213,000	8,745,000		
TOTAL AVAILABLE.....	<u>\$611,812,467</u>	<u>+\$7,263,000</u>	<u>+\$20,559,533</u>	<u>\$639,635,000</u>		

PROJECT STATEMENT - CURRENT LAW

(On basis of adjusted appropriation)

Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
1. Technical assistance.....	\$515,163,113	9,467	\$523,199,467	9,150	+\$26,676,533(1)	\$549,876,000	9,158
2. Soil surveys.....	72,554,000	1,163	73,904,000	1,128	+1,354,000(2)	75,258,000	1,118
3. Snow survey and water forecasting.....	5,713,000	78	5,820,000	76	-64,000(3)	5,756,000	73
4. Operation of plant materials centers.....	8,064,000	140	8,889,000	138	-144,000(4)	8,745,000	124
Total available estimate.....	<u>\$601,494,113</u>	<u>10,848</u>	<u>\$611,812,467</u>	<u>10,492</u>	<u>+\$27,822,533</u>	<u>\$639,635,000</u>	<u>10,473</u>

Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Transfer to Dept....	+212,000:	--	+116,000:	--			
Transfer from Rental	-413,450:	--	-245,467:	--			
Transfer from ASCS for technical assistance.....	-24,753,663:	-717:	-20,634,000:	-539:			
Total, appropriat'n.	\$576,539,000:	10,131:	\$591,049,000:	9,953:			

NOTE: A request has been submitted to Congress to rescind \$12,167,000 (R94-9). The rescission reflects the savings in Conservation Operations of implementing the National Performance Review proposal to reorganize USDA, and would reduce fiscal year 1994 staff years by about 195 FTE.

**PROJECT STATEMENT - CURRENT LAW**  
(On basis of available funds)

Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
1. Technical assistance.	\$508,419,757:	9,467:	\$529,942,823:	9,150:	+\$19,933,177(1)	\$549,876,000:	9,158
2. Soil surveys	71,456,055:	1,163:	75,001,945:	1,128:	+256,055(2)	75,258,000:	1,118
3. Snow survey and water forecasting	5,575,639:	78:	5,957,361:	76:	-201,361(3)	5,756,000:	73
4. Operation of plant materials centers....	7,446,808:	140:	9,506,192:	138:	-761,192(4)	8,745,000:	124
Total direct obligations...	592,898,259:	10,848:	620,408,321:	10,492:	+19,226,679	639,635,000:	10,473
Unobligated balance brought forward.....	(--)	(--)	(-8,595,854)	(--)	(+8,595,854)	--	--
Unobligated balance carried forward.....	(+8,595,854)	(--)	(--)	(--)	--	--	--
Adjusted appropriation.	(601,494,113)	(10,848)	(611,812,467)	(10,492)	(+27,822,533)	(639,635,000)	(10,473)
Reimbursable obligations:							
1. Technical assistance.	28,318,583:	212:	25,552,840:	212:	+1,533,852	27,086,692:	290
2. Soil surveys	6,274,416:	119:	6,464,000:	119:	--	6,464,000:	119
3. Snow survey and water forecasting	281,856:	2:	291,000:	2:	--	291,000:	2
4. Operation of plant materials centers....	1,685,770:	17:	1,737,000:	17:	--	1,737,000:	17
Total, reimbursable obligations...	36,560,625:	350:	34,044,840:	350:	+1,533,852	35,578,692:	428
Obligational authority.....	\$629,458,884:	11,198:	\$654,453,161:	10,842:	+\$20,760,531	\$675,213,692:	10,901



## SOURCES OF REIMBURSEMENTS

Project	1993		1994 estimated		Decrease	1995 estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
Within USDA:							
Office of International Cooperation & Development.....	\$784,931:	12:	\$810,000:	12:	--:	\$810,000:	12
Other.....	15,495,620:	37:	12,478,000:	37:	+\$1,523,852:	14,001,852:	37
Other Federal.....	8,991,708:	124:	9,129,840:	124:	--:	9,129,840:	124
Non-Federal:							
State and Counties for Soil Surveys..	2,472,803:	52:	2,547,000:	52:	--:	2,547,000:	52
Other.....	8,815,563:	125:	9,080,000:	125:	--:	9,080,000:	125
Adjusted reimbursmnt	36,560,625:	350:	34,044,840:	350:	+\$1,523,852:	\$35,568,692:	350
Transfer from ASCS for technical assistance.....	(24,753,663)	(717)	(20,634,000)	(539)	(-20,634,148):		
Total reimbursements	(\$61,314,288)	(1,067)	(\$54,678,840)	(889)	(-\$19,100,148):		

## OUTLAYS

	1993	1994	Increase	1995
	Actual	estimated		estimated
1. Technical Assistance.....	\$493,628,367:	\$488,574,000:	+\$51,398,000:	\$539,972,000
2. Soil Surveys.....	72,927,868:	71,968,000:	+2,529,000:	74,497,000
3. Snow Survey and Water Forecasting.....	5,690,484:	5,709,000:	+12,000:	5,721,000
4. Operation of Plant Materials Centers.....	7,600,193:	8,987,000:	-262,000:	8,725,000
Actual Outlays.....	579,846,912:	575,238,000:	+\$3,677,000:	\$628,915,000
Transfer from ASCS for technical assistance.....	(24,753,663)	(20,634,000)	(-20,634,000)	
Adjusted Outlays for comparability.....	(\$604,600,575)	(\$595,872,000)	(\$+33,043,000)	

## EXPLANATION OF PROGRAM

The appropriation "Conservation Operations," funds four Soil Conservation Service activities authorized by the Act of April 27, 1935, (16 U.S.C. 590-590f); and the Soil and Water Resources Conservation Act of 1977, (16 U.S.C. 2001-2009). These activities are designed to reduce erosion, solve soil and water management problems, bring about physical adjustments in land use, improve agriculture, and reduce damage caused by floods and sedimentation. Activities include:

1. Technical assistance - The Soil Conservation Service provides technical assistance to 2,955 conservation or special districts. These districts, formed under State enabling legislation and locally controlled, have within their boundaries about 99 percent of the farms and ranches in the Nation. Through these conservation districts, the Soil Conservation Service provides technical help to more than 1.8 million district cooperators, who are primarily farmers and ranchers, having land use and conservation problems. More than 1 million district cooperators receive help on an annual basis. Over 22,000 State and local units of government were assisted with problems of land use, conservation, or building and water resource developments during FY 1993.

Conservation plans developed by landusers consist of their decisions to achieve conservation objectives, and contain soil and capability maps and other basic resource data interpreted for alternative uses and treatment.

Installation services are provided to cooperating land users to help them apply planned conservation systems. These services include site investigation, designs and specifications, construction plans, and layout of practices.

Technical assistance is currently being provided to implement the highly erodible land, wetland (Swampbuster), Wetland Reserve (WRP) and Conservation Reserve Program (CRP) provisions of the 1985 Food Security Act as amended by the Food, Agriculture, Conservation and Trade Act of 1990. SCS field technicians make the highly erodible land and wetland determinations and assist landusers in the preparation of conservation plans and application of practices needed to ensure compliance with the law. Producers had until December 31, 1989, to have an approved conservation plan developed on all highly erodible cropland in order to retain their eligibility for USDA farm program benefits. The approved conservation measures must then be installed by December 31, 1994. As of October 1993, 3.6 million highly erodible land determinations and 2.4 million wetland determinations had been made; conservation plans were completed for 142.1 million acres and conservation systems were applied on 98.2 million acres. A wetlands memorandum of understanding making the Soil Conservation Service the lead federal agency for delineating wetlands on agricultural lands was signed by the U.S.Fish and Wildlife Service, the Corps of Engineers, the Environmental Protection Agency and USDA in January, 1994. SCS will use the wetland inventories as the basis for making wetland delineations. SCS has provided technical assistance for the Wetland Reserve Program (WRP) in order to preserve and restore wetlands, improve wildlife habitat, and protect migratory waterfowl. Technical assistance has been provided by SCS to put about 50,000 acres of agricultural land into permanent easements since 1992, and assistance is being provided to enroll another 75,000 acres for the 1993 program. After the twelfth program sign up, the CRP has 36.5 million acres enrolled in 380,648 ten year contracts which reduce erosion by 698 million tons annually (18 tons per acre).

Technical services are also provided to individuals and groups participating in the Agricultural Conservation Program (ACP) for site selection, layout, or establishment of specified conservation practices; and to those farmers who enter into contracts under the CRP. Technical assistance for CRP was also provided to complete and/or modify conservation plans and to implement the plans under contracts signed in prior years. It is estimated that technical assistance is provided for the ACP on more than 80,000 farms and 4.5 million acres annually.

This item also funds the inventory and monitoring, resource appraisal and program development activities of the Soil Conservation Service. Natural and related resource data, other than soil survey data, are collected and interpreted for National assessments, and provided to users for resource programming and planning decisions. In addition, special resource inventories are made of wind erosion conditions in the Great Plains, and for identification of important farmlands and areas with critical erosion rates. Nationwide appraisals of soil, water, and related resources are conducted on a periodic basis and future long-range conservation programs are developed to help USDA, soil and water conservation districts, and other Federal, State and local agencies identify the highest priority problems and the present and likely future demands on the soil, water, and related resources of the Nation.

Overall accomplishments under the Conservation Technical Assistance program are as follows:

	FY 1993 <u>Actual</u>	FY 1994 <u>Estimate</u>	FY 1995 <u>Estimate</u>
Decisionmakers receiving technical services (000's).....	1,227	1,250	1,230
Acres treated through conservation technical assistance (000's).....	62,112	63,500	62,200
Tons of soil erosion reduced (000's).	321,430	340,000	335,000

2. Soil surveys - Special investigations and interpretations are made to determine the kinds of soil, potential alternative uses, and their needs for full use and conservation. Each soil survey includes field mapping and necessary correlation, interpretation, investigations, and laboratory work. These surveys are conducted cooperatively with other Federal agencies, land grant universities, other State agencies, and local units of government. The published soil survey for a county or designated area includes maps and interpretations with explanatory information that is the foundation of resource planning and decision making for Federal, State, county, and local community programs. Special reports are prepared and released as needed for local uses. Current program emphasis is being placed on project mapping and soils interpretation assistance to private individuals and other Federal, State and local decision makers who received a diminished level of technical assistance during the acceleration of mapping on Food Security Act impacted land where soil survey information was not available. Emphasis is also being placed on designing mapping units and providing interpretations that will address water quality assessments and the wetland and highly erodible land provisions of the Food Security Act.

Actual and projected accomplishments for the soil survey program are as follows:

	FY 1993 <u>Actual</u>	FY 1994 <u>Estimate</u>	FY 1995 <u>Estimate</u>
Acres mapped annually by SCS (millions).....	27.9	26.3	25.7
Soil surveys ready for publication (number).	48	55	53

3. Snow survey and water forecasting - Snow survey and water forecasting provides a valuable service to irrigators and others who rely upon snow data and water supply forecasts in planning annual operations. More than 10 million acres of irrigated land in the Western States and Alaska are served by water supply forecasts. Although water supply forecasts are geared primarily to the needs of rural farm and ranch operators, they are used extensively by a wide variety of water management groups that have responsibility for flood control, recreation, fish and wildlife, power generation, municipal and industrial water supply, and water quality management.
4. Operation of plant materials centers - Plant materials centers are operated for testing, selection, and providing for the commercial production of plants for erosion control, water quality, special conservation purposes, and adaptation to unusual soil and site conditions. The work at the 26 centers includes cooperation with State and Federal agencies, commercial businesses, and seed and nursery associations to encourage release, production, and use of new or uncommon plant materials needed in soil and water conservation programs. Over 200 new conservation plant varieties from this program are in large scale use in combating the many problems encountered in a total program of soil, water, and related resource conservation. Twelve new conservation plants were released cooperatively by SCS and their partners for conservation purposes during FY 1993.

#### OIG Reports

50600-2-AT	9/92	Cleanup Costs Under Selected interagency Agreements.
10099-3-FM	9/92	Security of Computer Systems.
10099-11-KC	3/93	Status Review Process for Conservation Plans.
10099-14-KC	In Progress	Alternate Conservation Systems.
03099-162-KC	Renumbered	Wetlands Provisions of FSA. (See below.)
50600-2-KC	In Progress	Wetlands Provisions of FSA. (See below.)
03600-25-KC	Cancelled	Survey of Wetland Reserve Program.
50600-3-KC	In Progress	Conservation Compliance Reviews.



## GAO Reports

RCED-92-150528	2/93	Review of Research and Extension Issues.
RCED-92-150040	In Progress	Interim Review of 1995 Farm Bill.
510829	In Progress	Survey of Strategic Information Management Methodologies
966406	In Progress	Review of Federal Job Classification for Discrimination.
RCED-93-9	11/92	Asbestos in Federal Buildings.

## JUSTIFICATION OF INCREASES AND DECREASES

(1) An increase of \$26,676,533 for technical assistance (on the basis of available funds, an increase of \$19,933,177) consisting of:

- (a) An increase of \$6,308,000 for Conservation Technical Assistance for a 1.6 percent general pay raise anticipated for fiscal year 1995.
- (b) An increase of \$5,931,533 for increased operating costs under the Conservation Technical Assistance program for the anticipated 2.6 percent increase in nonpay support costs associated with program operations in fiscal year 1995.
- (c) A decrease of \$36,285,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 6.5 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (d) A decrease of \$2,998,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$2,998,000.

Nature of Change. In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$2,998,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded for the uncontrollable FY 1995 increased pay and inflationary costs.

- (e) An increase of \$28,120,000 in technical assistance for USDA conservation cost-share programs.

Need for Change. SCS technical assistance costs for supporting the various USDA conservation cost-share programs are currently budgeted under the ASCS appropriation accounts for these programs and transferred to SCS

under reimbursable agreements that vary by program. In FY 1994, ASCS will provide SCS with about \$20.6 million of new budget authority to fund the technical assistance workload related to these programs on a reimbursable basis. The fiscal year 1995 budget proposes to fund this technical assistance as part of the resources provided by direct appropriation for the conservation technical assistance program. This funding change would add about \$52 million in direct funding to this program, and reduce by the same amount SCS reimbursements and USDA appropriation requests for conservation cost-share programs. The increase of \$28 million from the fiscal year 1994 level of funding for these programs is related budget proposals for cost sharing in 1995 and the number of farmers and ranchers who would participate in these programs. No new program sign-up is proposed for the Conservation Reserve program (CRP), the Wetland Reserve Program (WRP) would enroll an additional 300,000 acres, and the Agricultural Conservation Reserve (ACP) program would be significantly reduced.

Nature of Change. The additional funds requested would provide for sufficient technical assistance staffing to support an additional 300,000 acre enrollment in the Wetland Reserve Program. Technical assistance would also be provided as needed to support Conservation Reserve Program contracts signed in prior years.

- (f) An increase of \$15,600,000 for wetland identification, review, and certification required by provisions of the Food, Agriculture, Conservation and Trade Act of 1990.

Need for Change. SCS initiated a wetland inventory process in response to the Food Security Act of 1985 "Swampbuster" provisions. A producer could convert a wetland, but no violation occurred as long as an agricultural commodity was not planted on it. Violating the Swampbuster provisions of the FSA meant that a producer would lose all federal farm program benefits. The 1990 Farm Bill, FACTA, revised the Swampbuster provisions. Draining or manipulating a wetland in order to make planting an agricultural commodity possible became a Swampbuster violation. FACTA also required a periodic review, and certification of previously completed wetland determinations and provided for appeal rights during the certification process.

SCS had completed about 60 percent of the initial inventory when asked to undertake a quality review, update and certification of wetland delineations. The FACTA amendments were not fully initiated pending completion of the National Academy of Science review of the wetlands definition and procedures for delineating a wetland. Crucial wetland determinations continued on an as-requested basis, and it is estimated that determinations have currently been completed on about two-thirds of the nation's wetlands occurring on agricultural lands. Under the Memorandum of Agreement signed in January, 1994 by the four Federal agencies involved in the wetlands related work, the Administration has made SCS the single federal agency responsible for delineating wetlands on agricultural lands for both the Clean Water Act (CWA) and the 1985 and 1990 Farm Bills (FSA/FACTA). SCS must now proceed to fully implement the FSA/FACTA requirements by completing wetland delineations, certifying past wetlands delineations, maintaining a list of the certified wetlands, performing periodic reviews and updates, and providing this information to the Corps of Engineers to support CWA section 404 permitting requirements. Additional funds are needed because the new administration policy expands SCS's workload of on-site wetland delineations and appeals. FSA/FACTA concentrated primarily on wetlands and highly erodible cropland of USDA program participants. The expanded role includes all land that is intensively managed for agriculture.

Nature of Change. The additional \$15.6 million and 265 additional staff years are necessary to accelerate wetland delineations on all agricultural lands and fully implement President Clinton's new wetland policy. The additional resources would be used to complete and certify remaining wetland determinations; to revise and/or certify existing determinations; to expand wetland determinations and on-site delineations on non-USDA program participants' agricultural lands; and to coordinate the delineation of wetlands with other agencies. The goal would be to complete the remaining new determinations and the required certifications of existing delineations by 1997. The periodic review and update process required by FACTA would be carried out on a five year cycle in accordance with the January 1994 agreement with EPA, the Corps of Engineers, and the Fish and Wildlife Service. Funds would be used to conduct the required training for personnel who perform wetland delineations and to cover additional workload related to appeals. Funds would also be used to purchase aerial photography for use in making and recording official wetland delineations.

- (g) An increase of \$6,500,000 for Conservation Technical assistance for database development investments to implement GIS technology and support USDA InfoShare projects to improve field office operations.

Need for Change. Most of the natural resource information used by SCS national, state and field offices to solve natural resource problems and recommend environmental policy is referenced to a geographic location on the ground. There is a need to change the way SCS and USDA collect, shares and uses this data by developing geographic databases of natural resource information in digital form to use in a geographic information system (GIS) at state and field offices. About 150 SCS field offices are using GIS. A fully implemented GIS database would provide more useable information for natural resource planning and decision making, environmental assessments and evaluations. It would improve efficiencies and effectiveness in delivering USDA programs and services, improve USDA's field office efficiency and interagency cooperation, provide better service to farmers and ranchers, and respond to public concerns about USDA field office structure. It would avoid having farmers and ranchers provide duplicate information to different USDA agencies and would reduce the resources consumed by each agency to maintain similar records of producer operations on the same land. GIS technology would also make it possible for USDA to extract, share, and display natural resource, economic and other data that conforms to the national federal GIS database standards with other U.S. Government Departments and Agencies. USDA field offices would benefit from using this approach by automating the management of activities such as reconstitution of fields and locating and defining wetlands, and bring geographic resources information together for more accurate, consistent, and effective use. Digital orthophotography is a crucial up-front requirement needed to establish a standard map base for the GIS database. SCS and ASCS data in most offices is still kept manually on hard copies of aerial photographs, which are not correctly geographically referenced and cannot be used in a GIS. A digital orthophoto is a very accurate aerial photo image map which can be used either in a GIS or as a hard copy for mapping and digitizing. The digital orthophoto will serve as the standardized geographic information base map and primary digital map layer for collecting and referencing natural resource information. The orthophoto also helps solve problems such as automatically reconstituting farm field boundaries or ascertaining accurate and consistent acreage measurements. Database activities are an important component of GIS technology. Digitizing soil surveys is the other database component of this initiative which is explained under the Soil Survey justification (2)(e) below.

Nature of Change. The additional \$6,500,000 would be used to initiate a program to create digital orthophotography of the conterminous U. S. under



the conservation technical assistance program. Another \$2.5 million is requested under the soil survey program for contract costs needed to digitize soil surveys. The orthophotography component would cost SCS \$6.5 million annually, and it is planned cooperatively with the U.S. Geological Survey. Most of the work would be contracted to the private sector. These funds would be used to procure approximately 57 million acres of orthophotography each year for high priority counties.

- (h) An increase of \$500,000 to provide technical assistance to Indian Reservations required under Section 2501(g) of the 1990 Food, Agriculture, Conservation, and Trade Act.

Need for Change. The Indian Self-Determination and Self-Governance Act, PL 94-638, Jan. 4, 1975, gave authority for carrying out the trust responsibilities of the U.S. Government to all government agencies, not just the Bureau of Indian Affairs. Section 2501(g) of the 1990 Food, Agriculture, Conservation, and Trade Act (FACTA) further defined the responsibilities for USDA, specifically SCS, ASCS and FmHA. These agencies were directed, if requested, to establish and staff a sub-office on reservations for a minimum of 1 day per week. Prior to the passage of FACTA, SCS was providing eighteen staff years of assistance on 9 reservations. At other reservations technical assistance was available if requested but generally from a town some distance from the reservation. Currently, many of the more than 310 reservations and 4 areas of trust land in the 48 contiguous states are taking steps to request assistance. The reservations encompass a land area of over 46 million acres. There are also 12 Alaska Native Regional Corporations and 217 Alaska Native Villages that are entitled to receive benefits. Potentially all of them could request staff assistance under the Section 2501(g) provision that SCS could not provide with current resources unless existing field offices on non-tribal lands were closed or operated on a part time basis. Based on the latest information, it is estimated that there will be requests to staff 152 tribal land field offices. The staff are needed to provide basic technical assistance for resource problem identification and conservation planning and application. The 1990 FACTA sets a minimum of 1 day per week if requested. However, travel time to the more remote reservations would require up to two additional days of travel time to provide one staff day per week in the tribal land field office.

Nature of Change. The additional \$500,000 proposed for 1995 represents the annual cost of providing technical assistance needed to carry out field office operations one day a week on 35 to 40 additional reservations depending upon SCS employee travel time. It would add about 9 staff years on reservations to provide technical assistance to Indian farmers and ranchers.

- (i) An increase of \$3,000,000 for U. S. Climate Change activities.

Need for Change. The United States signed the Framework Convention on Climate Change (FCCC) at the United Nations Conference on Environment and Development in June 1992, and became the first industrialized nation to ratify the FCCC in October, 1992. The ultimate goal of the Climate Change Convention is to stabilize greenhouse gases in Earth's atmosphere at levels that will not dangerously upset the global climate system. This should be done within a time frame that allows ecosystems to adapt naturally to climate change, ensures that food production is not threatened, and enables economic development to proceed in a sustainable manner. The U.S. Climate Change Action Plan lists a number of actions in all sectors of the economy that the U.S. will take in order to reduce national greenhouse gas emissions to 1990 levels by the year 2000. The Department of Agriculture is a full partner in the coordinated Federal effort to meet U.S. obligations under this international agreement. The

additional \$3 million proposed for 1995 supports the Soil Conservation Service's technical assistance needed to help producers reduce agricultural emissions of methane and nitrous oxide to the Earth's atmosphere. SCS will spend an estimated \$1 million each for climate change actions #38 and #39 in fiscal year 1994.

Nature of Change. The SCS is cooperating in three initiatives described in the U.S. Climate Change Action Plan:

Action #17 - Improve Efficiency of Fertilizer Nitrogen Use. SCS and ARS will launch a new partnership with American producers to improve the efficiency of fertilizer use, which will result in lower emissions of nitrous oxide from microbial activity in the soil and lower carbon dioxide emissions from electricity and natural gas consumption during fertilizer manufacturing. The two-phase program builds on existing research and modeling work in ARS, and includes demonstration projects and an extensive technical information transfer and education program to ensure producer adoption of improved N management practices. Reductions in nitrogen fertilizer use resulting from this program are expected to be within the 10 - 30 percent reduction proposed in S. 1114 (reauthorization of the Clean Water Act).

Action #38 - Expand AGSTAR Program with Livestock Producers. AGSTAR is an existing EPA/USDA voluntary pollution prevention program with the livestock industry (primarily dairy and swine facilities) to reduce methane emissions to the atmosphere. Under this program producers will install methane capture-and-use equipment for on-farm power production. AGSTAR encourages the recovery and use of methane only where it is profitable to do so. SCS will develop standards and specifications for the methane capture systems, and provide technical assistance to producers in 20 states to install and utilize the technology.

Action #39 - Improve Ruminant Productivity and Product Marketing. SCS will continue work with ARS and EPA on demonstration projects and outreach programs targeted to reduce methane emissions from beef and dairy cattle, which are responsible for a significant percentage of methane emissions per year. SCS efforts will focus on improving grazing lands management.

(2) An increase of \$1,354,000 for Soil Surveys and Investigations (on the basis of available funds, an increase of \$256,055) consisting of:

- (a) An increase of \$836,000 for Soil Surveys for a 1.6 percent general pay raise anticipated for fiscal year 1995.
- (b) An increase of \$771,000 for increased operating costs under the Soil Survey program for the anticipated 2.6 percent increase in nonpay support costs associated with program operations in fiscal year 1995.
- (c) A decrease of \$2,313,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 3.0 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service

center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (d) A decrease of \$440,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$440,000.

Nature of Change. In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$440,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded with those uncontrollable FY 1995 increased pay and inflationary costs.

- (e) An increase of \$2,500,000 for Soil Surveys to support the Natural Resources Database (GIS) budget initiative.

Need for Change. The Natural Resources Databases initiative requires a digital database that will provide benefits to all parties who are involved with USDA field office operations. Orthophoto maps requested under the conservation technical assistance program will provide the accurate reference base needed for geographic referenced data sharing and soil survey is the most important basic data set needed before computer assisted conservation or resource planning can take place. Soils information has been gathered for many years and is primarily contained in published soil survey manuscripts and maps as well as on maps and notes for soil surveys now underway. New soil surveys are being digitized, but only about 75 of the completed surveys are in the digital form needed for Geographic Information Systems. Completed soil surveys that are 25 years old generally must be updated before they are ready to digitize, but more recently completed soil surveys are ready to digitize. All the soil survey information needs to be converted into a digital format to achieve the USDA InfoShare objective on a timely basis. Digitizing the soil surveys will also provide future program benefits because it is the most efficient and effective method to update and maintain soil survey data. The SCS has been assigned national leadership for all soils geographic data, coordinating standards and practices between all Federal and state agencies, local government, and other interested parties (OMB Circular A-16).

Nature of Change. The additional \$2,500,000 would be used to begin the process of digitizing published and ongoing soil surveys. Soil surveys compiled and digitized for the country would be accelerated at this funding level. Compilation and quality control would be done by SCS staff and the additional funds would be used for digitizing contracts.

- (3) A decrease of \$64,000 in Snow Survey and Water Forecasting activities (on the basis of available funds, a decrease of \$201,361) consisting of:

- (a) An increase of 50,000 for Snow Survey and Water Forecasting for a 1.6 percent general pay raise anticipated for fiscal year 1995.
- (b) An increase of \$86,000 for increased operating costs under the Snow Survey and Water Forecasting program for the anticipated 2.6 percent increase in



nonpay support costs associated with program operations in fiscal year 1995.

- (c) A decrease of \$161,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 2.6 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (d) A decrease of \$39,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$39,000.

Nature of Change. In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$39,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded for the uncontrollable FY 1995 increased pay and inflationary costs.

- (4) A decrease of \$144,000 in Plant Materials Centers activities (on the basis of available funds, a decrease of \$761,192) consisting of:

- (a) An increase of \$69,000 for Plant Materials Centers for a 1.6 percent general pay raise anticipated for fiscal year 1995.
- (b) An increase of \$117,000 for increased operating costs under the Plant Materials Centers program for the anticipated 2.6 percent increase in nonpay support costs associated with program operations in fiscal year 1995.
- (c) A decrease of \$260,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 2.9 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the

potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

(d) A decrease of \$70,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$70,000.

Nature of Change. In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$70,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded for the uncontrollable FY 1995 increased pay and inflationary costs.

SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

<u>Item of Change</u>	<u>Current Law</u>	<u>1995</u>	
		<u>Program Changes</u>	<u>President's Request</u>
Conservation Technical Assistance...	\$549,876,000	\$0	\$549,876,000
ASCS Salaries and Expenses.....	0	26,593,000	26,593,000
Soil Surveys.....	75,258,000	0	75,258,000
Snow Survey and Water Forecasting...	5,756,000	0	5,756,000
Operation of Plant Materials Centers	8,745,000	0	8,745,000
Total Available.....	<u>\$639,635,000</u>	<u>\$26,593,000</u>	<u>\$666,228,000</u>

Explanation of Proposed Legislation

This legislation would transfer \$26,593,182 to the Conservation Operations program to implement the conservation cost-share administration portion of the USDA reorganization proposed by the Secretary of Agriculture in conjunction with the National Performance Review.

PROJECT STATEMENT - PROPOSED REORGANIZATION

	<u>1994</u>		<u>Increase or Decrease</u>	<u>1995</u>	
	<u>Estimated</u>	<u>Staff:</u>		<u>Estimated</u>	<u>Staff</u>
	<u>Amount</u>	<u>Years</u>		<u>Amount</u>	<u>Years</u>
Natural Resources	:	:	:	:	:
Conservation Service:	:	:	:	:	:
Conservation Operations:	:	:	:	:	:
From Farm Service Agency:	:	:	:	:	:
*ASCS Salaries & Expenses	(\$33,977,000)	80:	+\$26,593,000:	\$26,593,000:	80
*Conservation Reserve Prog	(1,743,274,000)	--:	(-8,842,000)	(1,752,216,000)	--
Wetland Reserve Program.	66,675,000:	--:	+211,425,000:	278,100,000:	--
Agriculture Conservation	:	:	:	:	:
Program.....	194,650,000:	--:	-94,650,000:	100,000,000:	--
Colorado Salinity Prog..	13,783,000:	--:	-5,389,000:	8,394,000:	--
Water Bank Program.....	8,000,000:	--:	--:	8,000,000:	--
Emergency Conservation	:	:	:	:	:
Program.....	0:	--:	+3,000,000:	3,000,000:	--
ECP 1994 Supplemental..	25,000,000:	--:	-25,000,000:	0:	--
Forestry Incentives Prog	12,820,000:	--:	-6,195,000:	6,625,000:	--
Total available.....	<u>\$320,928,000:</u>	<u>80:+\$109,784,000:</u>		<u>\$430,712,000:</u>	<u>80</u>

\*Amounts in parentheses are non-add's.

EXPLANATION OF PROGRAM

Natural Resources Conservation Service (NRCS) will administer the functions dealing with the conservation cost share programs previously carried out by the Agricultural Stabilization and Conservation Service. The change is being proposed to implement the USDA reorganization proposed by the Secretary of Agriculture in conjunction with the National Performance review. Program delivery would continue to function as in the past with overall program direction being set at the national level and designated committees acting at the state and local levels on specific practices for each cost share program.

The \$26.6 million and the national and state staff (about 80 staff years) would be transferred from the Farm Service Agency (FSA) to NRCS to administer the conservation cost share programs. About \$22.1 million of the transferred funds would be used to pay the FSA county committees to administer the conservation cost share programs at the local level. NRCS would continue to provide the technical assistance consistent with current practice.



Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995  
 CONSERVATION OPERATIONS

	1993		1994		1995	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$11,243,925	228	\$11,638,140	220	\$11,998,810	220
ALASKA.....	2,701,790	40	2,703,110	37	2,786,880	37
ARIZONA.....	5,936,964	79	6,786,880	84	6,997,210	84
ARKANSAS.....	10,793,250	216	10,675,980	199	11,006,830	199
CALIFORNIA.....	15,485,049	274	15,707,550	259	16,194,330	259
COLORADO.....	13,840,653	288	14,265,400	277	14,707,490	277
CONNECTICUT.....	2,136,818	38	2,177,420	36	2,244,900	36
DELAWARE.....	1,589,092	24	1,633,880	23	1,684,510	23
FLORIDA.....	8,491,859	117	8,569,290	110	8,834,860	110
GEORGIA.....	13,116,840	265	13,369,300	251	13,783,620	251
HAWAII.....	3,738,776	54	3,518,370	47	3,627,410	47
IDAHO.....	9,694,040	188	10,194,140	185	10,510,060	185
ILLINOIS.....	15,289,313	316	16,342,920	315	16,849,390	315
INDIANA.....	13,406,027	270	13,387,250	251	13,802,130	251
IOWA.....	21,568,369	475	22,686,930	465	23,390,010	464
KANSAS.....	19,259,706	419	20,064,120	406	20,685,910	405
KENTUCKY.....	13,657,202	278	13,905,650	263	14,336,590	263
LOUISIANA.....	8,145,742	152	9,759,630	169	10,062,080	169
MAINE.....	3,122,509	58	3,188,210	55	3,287,010	55
MARYLAND.....	5,464,611	107	6,041,050	110	6,228,260	110
MASSACHUSETTS...	2,662,340	48	2,751,320	47	2,836,580	47
MICHIGAN.....	11,366,216	185	10,458,450	159	10,782,560	159
MINNESOTA.....	13,440,375	252	14,508,820	253	14,958,450	253
MISSISSIPPI.....	11,744,746	260	12,227,260	253	12,606,190	253
MISSOURI.....	19,478,896	380	19,935,710	362	20,553,520	361
MONTANA.....	15,410,202	325	16,121,920	317	16,621,540	317
NEBRASKA.....	16,205,833	346	16,665,240	332	17,181,700	332
NEVADA.....	3,448,922	68	3,716,850	68	3,832,040	68
NEW HAMPSHIRE...	2,051,042	39	2,151,960	38	2,218,650	38
NEW JERSEY.....	3,182,830	57	3,486,810	58	3,594,870	58
NEW MEXICO.....	8,616,158	161	8,433,820	147	8,695,190	147
NEW YORK.....	9,560,555	170	9,916,230	164	10,223,540	164
NORTH CAROLINA...	11,298,300	215	11,637,920	207	11,998,580	207
NORTH DAKOTA....	12,499,824	239	12,899,750	230	13,299,520	230
OHIO.....	11,662,540	218	12,521,070	219	12,909,100	219
OKLAHOMA.....	13,332,397	289	14,049,290	284	14,484,680	284
OREGON.....	9,185,518	162	9,502,060	157	9,796,530	157
PACIFIC BASIN...	959,182	18	1,167,600	21	1,203,780	21
PENNSYLVANIA....	9,418,968	179	9,585,420	169	9,882,480	169
PUERTO RICO.....	3,197,953	54	3,316,510	52	3,419,290	52
RHODE ISLAND....	927,308	15	949,970	14	979,410	14
SOUTH CAROLINA...	6,673,141	143	7,086,780	142	7,306,400	142
SOUTH DAKOTA....	10,064,563	195	10,212,530	184	10,529,020	184
TENNESSEE.....	12,184,670	240	12,676,250	233	13,069,090	233
TEXAS.....	38,185,395	739	39,435,200	707	40,657,310	701
UTAH.....	6,273,474	108	6,375,880	102	6,573,470	102
VERMONT.....	2,748,767	53	2,881,570	52	2,970,870	52
VIRGINIA.....	9,728,554	196	10,166,820	191	10,481,890	191
WASHINGTON.....	10,755,103	208	11,456,740	206	11,811,790	206
WEST VIRGINIA...	5,716,229	127	6,624,850	137	6,830,160	137
WISCONSIN.....	11,989,259	255	12,373,520	245	12,756,980	245
WYOMING.....	5,892,104	116	6,353,790	117	6,550,700	117
CHESTER NTC.....	2,784,474	38	2,690,360	34	2,773,740	34
FORT WORTH NTC...	13,565,521	204	13,686,580	197	14,110,730	197
LINCOLN NTC.....	10,942,201	182	11,047,860	175	11,390,240	175
PORTLAND NTC....	6,223,880	75	6,607,290	75	6,812,050	76
NATIONL HDQTRS...	50,838,284	403	58,113,101	382	59,914,070	371
Total Available or Estimate....	\$592,898,259	10,848	\$620,408,321	10,492	\$639,635,000	10,473

## CONSERVATION OPERATIONS

## STATUS OF PROGRAM

**Authority and Mission:** The Soil Conservation Service (SCS) is a technical agency of the United States Department of Agriculture (USDA). The agency was established by Public Law 74-46 on April 27, 1935, (16 U.S.C. 590a-590f) to carry out a continuing program of soil and water conservation on the private lands of the Nation. The current mission of the agency is to provide leadership and administer programs to help people conserve, improve, and sustain our natural resources and environment.

Since 1983 the conservation activities of the Soil Conservation Service have been guided by the priorities and objectives as set forth in the National Conservation Program (NCP) which was prepared in response to the provisions of the Soil and Water Resources Conservation Act of 1977 (RCA) (Public Law 95-192). The long-term objectives of the program are designed to maintain and improve the soil, water, and related resources of the Nation's nonpublic lands by:

- Reducing excessive soil erosion.
- Reducing agricultural nonpoint source pollution of water.
- Improving irrigation efficiency.
- Making more effective use of water.
- Reducing upstream flood damages.
- Improving range condition.

SCS continues to play a major role in USDA's implementation of the conservation provisions of the Food Security Act (FSA) of 1985 (Public Law 99-198) and the Food, Agriculture, Conservation and Trade Act (FACTA) of 1990 (Public Law 101-624). The conservation provisions include:

1. Highly erodible land conservation (16 U.S.C. 3811-3813);
2. Wetland conservation (16 U.S.C. 3821-3823);
3. Environmental Conservation Acreage Reserve Program (16 U.S.C. 3831-3845);
  - Conservation Reserve Program
  - Wetland Reserve Program
4. Conservation easements (7 U.S.C. 1997).

Under these provisions, SCS is responsible for defining highly erodible lands, wetlands, and converted wetlands, and for assisting farmers develop and install conservation plans and conservation systems as a basis for Conservation Reserve Program contracts or for conservation compliance purposes. The law required that all producers have an approved conservation plan on all highly erodible cropland by December 31, 1989, in order to continue their eligibility for USDA farm program benefits. Producers then have until December 31, 1994, to install the approved conservation systems. SCS will assign highest priority during this period to providing the technical assistance needed to help producers comply with the provisions of the law. In addition, technical assistance will be provided in support of Environmental Conservation Acreage Reserve Program sign-ups authorized by the 1990 Farm Bill.

**Cooperation with Conservation Districts:** USDA and SCS have entered into memoranda of understanding with 2,955 conservation or special districts to establish a basis for a cooperative local-Federal conservation partnership. Under the terms of these agreements, SCS provides technical assistance through each district to assist farmers, ranchers, rural communities, and others to plan, apply, and maintain conservation treatment on the land. These districts are legal subdivisions of State government organized for the purpose of developing and carrying out local conservation programs to protect, conserve, and maintain the natural resource base of the Nation. Officials of conservation districts are local leaders in the development of appropriate land use and conservation treatment on private and other lands within district boundaries. They solicit local, State, and Federal participation to help carry out locally adapted conservation programs. Over the years, they have developed cooperative ways of financing conservation programs that

provide numerous public and private benefits. State and local appropriations of funds for conservation district program activities totaled approximately \$533.2 million in FY 1993. This was about \$39.3 million more than FY 1992 funding levels.

Cooperation with Other Agencies: Many Federal and State agencies rely upon the technical expertise unique to SCS to plan and implement programs which impact rural residents and/or resources. Some examples are the Agricultural Conservation Program, the Colorado Salinity Control Program, the Conservation Reserve Program, and the experimental Rural Clean Water Program of the Agricultural Stabilization and Conservation Service; the Surface Mine Control and Reclamation Programs of the Department of the Interior; the Coastal Zone Management Program of the Department of Commerce; and the Chesapeake Bay Agreement, National Estuary Program and Clean Lakes Program of the Environmental Protection Agency. Memoranda of Understanding (MOU) have been signed with EPA for nonpoint source technical cooperation, with Extension Service for water quality data and training, and with ARS and the Geological Survey addressing cooperation in the area of water quality research.

SCS is recognized internationally as a world leader for resource conservation technology delivery, soil surveys, erosion control and water management activities. SCS completed 235 technical assignments to 45 foreign countries and carried out the following objectives: provided international conservation assistance, shared soil conservation technology with other countries that have similar soil and conservation problems through scientific and technical exchanges, and participated in meetings of international technical and professional societies. SCS also provided opportunities for 284 foreign nationals from 37 countries to gain a better understanding of soil and water conservation activities in the United States. These representatives visited various locations to study conservation programs in order to transfer applicable methods to their home countries.

Information Services: SCS has a proactive and flexible information and public affairs program that keeps the Nation fully informed about 1) increasing complex conservation and environmental requirements of current farm law, 2) voluntary solutions to environmental concerns on farms and ranches and in rural and urban communities and 3) SCS inventories of resource conditions and trends.

Current information initiatives target the critical issues of conservation compliance, wetlands conservation, water management (quality and quantity), and farming's revolution in crop residue management.

SCS's Office of Public Affairs in Washington D.C. and the state and regional information officers have accelerated their partnership building with other government agencies, with private industry, and with the media. These partnerships are helping us meet the diverse information needs of the American people, and providing us with essential feedback about the quality of our information program.

The Earth Team, SCS's volunteer program, was recently combined into the Office of Public Affairs. The Earth Team currently has 12,000 volunteers who donate over 500,000 hours to assist operations in 2,000 SCS offices.

This appropriation is further divided into subappropriation items as follows:

#### CONSERVATION TECHNICAL ASSISTANCE

Current Activities: Conservation technical assistance provides the basic foundation supporting cooperative and complementary conservation programs involving Federal, State, and local units of government, organizations, and private citizens. Many times, this assistance serves as the initial USDA contact with land users who participate in other USDA, State, and local conservation programs. Assistance is provided by trained resource conservation and management specialists. These specialists inventory and interpret site-specific information about soil, plant, water, and other physical conditions to determine feasible



alternative land uses and conservation treatment alternatives. This information is used in assisting land users to make decisions about land use and the conservation treatment systems that are needed to protect the resources from excessive deterioration. After land users make appropriate conservation use and treatment decisions, they receive technical help as needed, to apply the planned conservation treatment. This assistance may include design, layout, and on-site installation services to assure that the applied conservation treatment is of a high quality and serves the intended purpose. These services require professional skills from a variety of specialized resource management disciplines to achieve an interdisciplinary approach under a wide range of land ownership and use conditions. At the national level, SCS specialists develop and maintain standards for conservation treatment, provide technology transfer, and serve as the Federal government's expert in matters concerning the conservation use and treatment of the Nation's private lands.

Overall, SCS provided 1,227,216 technical services to land users and units of government for conservation purposes in FY 1993. As a result of these services, land users made conservation planning decisions on about 16 million acres of land and 562,906 land users applied one or more conservation practices to improve soil, water, and related resources on 63.3 million acres of non-Federal lands. The estimated value of the practices applied to improve this acreage was more than \$2 billion. Some of the long-term public and private benefits resulting from conservation planning and application assistance include reduced erosion and sedimentation, cleaner water, improved use of irrigated water, reduction of health hazards, improved fish and wildlife habitat, improved aesthetic qualities, flood prevention, and sustained food and fiber production at reasonable cost.

Summary of Progress: A breakdown of the total acres of non-federal lands treated with SCS technical assistance in FY 1993 follows:

Non-Federal Land Treated with SCS Technical Assistance  
(Acres in Millions)

Land Category	Total Acres	Acres Treated	
		Number	Percent of Total
Cropland.....	422.8	28.8	6.8
Rangeland.....	401.7	25.4	6.3
Pastureland.....	130.0	4.3	3.3
Woodland.....	394.4	2.6	0.6
Other Land.....	59.9	2.2	3.7
Total.....	1,408.8	63.3	4.5

Examples of Current Activities and Progress:

Conservation Compliance on Highly Erodible Land: The conservation provisions of the Food Security Act directly impact persons who produce agricultural commodities on highly erodible land or converted wetlands and participate in certain USDA programs. SCS has defined highly erodible land as those soils that have an erodibility index of 8 or more. Using this criteria, 118 million acres of cropland and 235 million acres of noncropland that has a potential to be cropped is classified as highly erodible land. However, because highly erodible land is determined on a field basis, an additional 42 million acres of non-highly erodible cropland is also impacted. Between 1988 and 1995 SCS estimates that only 5 million acres of the highly erodible noncropland that has a potential for conversion to cropland will actually be converted. Additionally, about 5 million acres of the 70 million acres of wetlands in the United States will be affected by the wetland conservation provisions. Thus, these provisions impact 160 million acres or 38 percent of the nation's farmland.

As of September 30, 1993, 3.6 million highly erodible land determinations were completed. Of this total, 1.8 million were positive determinations and included over 149 million acres of highly erodible lands. 1.6 million conservation plans have been developed on 142.1 million acres of highly erodible lands to meet the

December 31, 1994, deadline in the law. By the end of FY 1993, 69.2 percent of the conservation plans on highly erodible lands had been installed.

Wetlands Conservation (Swampbuster): The target date for completing the 3.1 million wetland determinations has been delayed due to inconsistent wetland definitions that have been used by the Corps of Engineers (COE), the Environmental Protection Agency (EPA), the Fish and Wildlife Service (FWS) and the SCS to administer the different programs that impacted farmland. At the end of FY 1993, SCS had completed 2.4 million wetland determinations of which 0.9 million were positive. Again, there is a continuing wetland related workload anticipated beyond the initial goal date. Activities will include determinations required for new participants, processing minimal effect exemptions, documenting the location and impacts of previously installed drainage systems, and completion of wetland inventories.

Wetland inventories covering cropland and adjacent lands have been initiated in 45 states. Inventories have been completed in more than 950 counties in 45 states. SCS uses the wetland inventory approach in areas with concentrations of both wetlands and USDA program participants as the basis for making wetland determinations. This improves overall efficiency and quality of determinations. Wetland inventories also provide a consistent basis for making wetland determinations for new producers in future years.

On August 24, 1993, the Clinton Administration proposed a comprehensive plan to improve the Federal wetlands program in response to public concerns that the Federal government needed to modify its wetland program by making it fairer and more effective for producers and other taxpayers. The proposed plan incorporates a cooperative working agreement between the COE, EPA, FWS and SCS that makes SCS the lead agency for determining wetlands on agricultural lands. The agreement will reduce duplication and inconsistencies among federal agencies. However, it will require SCS to devote more time identifying, evaluating, delineating, and processing appeals for these wetlands in order to carry out program responsibilities for both the Clean Water Act (404) and the Food Security Act (FSA/FACTA). The expanded responsibilities include making on-site delineations of all wetlands that have the potential of being altered on all lands intensively managed for agriculture (cropland, orchards, tree farms, etc), processing 404 and FSA/FACTA wetland appeals, and providing oversight to private sector entities that make environmental assessments and wetland determinations to ensure consistency and quality of wetland determinations and delineations.

Conservation Reserve Program: The Conservation Reserve Program (CRP) offers long-term rental payments and cost-share assistance to farm owners or operators to retire existing highly erodible and environmentally sensitive cropland from crop production for 10 years. A protective vegetative cover of grass or trees on the converted lands will reduce soil erosion and improve water quality and enhance wildlife habitat. No more than 25 percent of a county's cropland will be accepted for participation without a waiver from the Secretary. The 1990 Farm Bill expanded the criteria used for determining CRP land.

Over the life of the program, the 36.5 million acres (380,648 contracts) enrolled in CRP after the 12th program sign-up will result in a soil loss reduction of 698 million tons annually.

The following provides a summary of the current status of the program:

	12th sign-up	Cumulative
Total Bids Received	37,119	535,221
Total Accepted Bids	20,121	380,648
Total Acres enrolled	1,132,459	36,528,410
Total Tree Area enrolled	129,085	2,475,844
Average Size of Contract in Acres	56	96

Wetland Reserve Program (WRP): The Wetland Reserve Program allows individuals to enroll farmed wetlands or converted wetlands in exchange for long-term or permanent

easements. SCS provides technical assistance to individuals submitting WRP bids. SCS assistance is provided for determining program eligibility, developing a Wetlands Conservation Plan, for engineering and environmental design, construction and wetland establishment review. In 1993, SCS provided technical assistance to landowners in nine pilot states where nearly 50,000 acres were enrolled in the first WRP sign-up.

Agricultural Conservation Program (ACP): SCS provides technical assistance to ACP participants for planning, design, layout, supervision, and certification that the practice meets SCS standards and specifications. In addition to regular ACP assistance, the Water Quality Improvement Program (WQIP) was implemented in FY 1993 in 85 counties in 25 states. Applications were received to install 18,400 water quality measures on 1.8 million acres.

Rural Abandoned Mine Program (RAMP): SCS provides technical and financial assistance through 5-10 year contracts with land users. The objective of RAMP is to evaluate, design, and install needed conservation treatments to reclaim soil and water resources on rural lands adversely affected by past coal-mining practices. RAMP was authorized by Section 406 of the Surface Mining Control and Reclamation Act of 1977, P.L. 95-87, as amended by the Abandoned Mine Reclamation Act of 1991, P.L. 101-508. Land users in 20 states have submitted 4,552 program applications (on 106,332 acres) for assistance under the program. New RAMP contracts were signed with 105 land users in FY 1993 obligating \$8.4 million. To date, SCS has signed a total of 1,185 contracts for the reclamation of 16,192 acres, obligating \$109 million. Accomplishments to date include 13,161 acres reclaimed, 2,638 health and safety hazards eliminated, and 1,152,740 tons of soil erosion prevented annually. water quality has been improved in 60,000 acres of lakes and 777 miles of streams. Funds for the operation of RAMP are transferred to SCS by the U.S. Department of the Interior, from funds appropriated from the Abandoned Mine Reclamation Trust Fund. Coal miners pay 35 cents per ton of coal mined from surface mines and 15 cents per ton of coal from underground mining into this fund.

Colorado River Basin Salinity Control Implementation: The 1984 amendments to the Colorado River Basin Salinity Control Act, in Public Law 98-569, gave USDA a separate authority for developing and implementing a voluntary and cooperative on-farm salinity control program.

The Colorado River Salinity Control (CRSC) program objectives are to reduce salt loading in order to enhance and protect the quality of water available in the Colorado River for use in the United States and Mexico (Public Law 93-320, Colorado River Basin Salinity Control Act). Key provisions of the program are the nonFederal cost-share reimbursement requirements from the hydro-electric power revenues of the Upper and Lower Colorado River Basin development funds and the authority to cost-share with irrigation districts and canal companies. Major SCS activities include development of project plans, preparation of on-farm participants for application of salinity reduction plans, and providing technical assistance to participants for application of salinity reduction practices with emphasis on irrigation water management.

Implementation continued in the Grand Valley, McElmo Creek and Lower Gunnison projects in Colorado; Uinta Basin project in Utah; and the Big Sandy River project in Wyoming. A total of 363 contracts involving \$13,783,000 in technical and financial assistance were approved in 1993. Annual salt load reduction for FY 1993 resulting from salinity reduction practice practices totaled 36,450 tons for the five projects. Joint planning with the Bureau of Reclamation on the Price-San Rafael project in Utah is being finalized. Pre-implementation planning included completing a salinity investigation in the San Juan River Basin in New Mexico and the development of the final environmental impact statement for the Moapa Valley project in Nevada.

Water Quality: SCS, Extension Service (ES), and the Agricultural Stabilization and Conservation Service (ASCS) support the USDA Water Quality Initiative (WQI) through education, technical and financial assistance. Nonpoint source hydrologic unit



areas, water quality demonstration projects, regional project initiatives, and Agricultural Conservation Program water quality special projects are the principal assistance activities of the USDA WQI plan.

Nonpoint Source Hydrologic Unit Area Assistance (HUA). HUA's are selected to remedy state identified water quality problems. Projects are located in areas where impairment of water quality by agricultural nonpoint sources is significant. The projects are coordinated with state management programs developed under Section 319 of the Water Quality Act of 1987. SCS, ASCS and ES develop detailed plans of work for HUA's. Seventy-four areas have been selected and are under implementation. SCS water quality specialists are delivering planning and application assistance to farm and ranch operators, and SCS continued to upgrade and transfer water quality technology and information to cooperators as it was made available from technology development and data base efforts. ASCS provided financial assistance to agricultural operators to install planned water quality practices. SCS implemented a water quality project evaluation for selected HUA's. The water quality progress reporting system in each HUA was updated to capture water quality benefits to include nutrient and pesticide management indicators. Computer hardware and Field Office Computer System software was installed to inventory and collect natural resource and management activities by land tract and progress was made in using Agricultural Research Service (ARS) water quality computer simulation models to estimate HUA water quality benefits.

Water Quality Demonstration Projects. The demonstration projects represent geographic areas with specific combinations of agricultural activities and water resource conditions that impact water quality. Treatment practices are developed to remedy water quality problems, and through the farm demonstration process, these practices are expanded to other areas with similar agricultural and water quality conditions. SCS has worked in cooperation with ES, ARS, ASCS, the Cooperative State Research Service and the Economic Research Service to develop a comprehensive plan of work for the demonstration projects. Sixteen projects have been implemented and are providing assistance to land operators. Data has been gathered and compiled to establish a water quality baseline from which progress can be measured in meaningful terms such as the adoption of water quality practices in the immediate and adjacent areas, and an evaluation of the original eight demonstration projects started in FY 1990 is on-going to determine what is being accomplished and how to improve program delivery of the Water Quality Initiative. To assist in this evaluation, SCS and ES entered into a contract with the University of Wisconsin to conduct farm owner/operator surveys to determine adoption rates of water quality practices among USDA program participants and nonprogram participants and assess the effectiveness of water conservation practices in a competitive, for profit, farm setting. ASCS provided financial assistance to assist agricultural operators in the adoption of water quality practices in demonstration projects.

Regional Project Initiatives. Regional projects include the Chesapeake Bay, the Puget Sound, Long Island Sound, Gulf of Mexico, Great Lakes, Land and Water 201, Lake Champlain and the National Estuaries Programs. USDA involvement in these projects is centered on reducing agricultural nonpoint pollution through ongoing programs that provide education, technical, and financial assistance to individual farmers, ranchers, and communities. A coordinated approach to monitoring and evaluation has been undertaken to determine the level of success of ongoing programs and to improve future efforts. The process focuses on reductions in pollutant loading; model extension of load reduction effects below the root zone and beyond the edge of the field; and measured change in the conditions of surface and groundwater conditions. It also includes an assessment of practices installed and the effects of these activities upon production agriculture. SCS involvement in the Regional Project Initiative included participation with state and local water quality agencies, other Federal agencies, and international representatives in developing overall plans of action to meet the nonpoint source water quality needs in the project areas, and technical assistance provided to agricultural operators in implementing the completed plans. SCS accelerated technical assistance to plan, design, and implement best management practices to protect both surface and ground water by controlling nonpoint source point pollution from agricultural and urban

lands and control excess animal wastes; provided technical standards and specifications for state cost-share programs; provided technical supervision and training for conservation district technicians; and provided outreach to encourage landowners/operators in critical areas to participate in nonpoint source implementation, phosphorus reduction, and erosion control. Watershed resource inventories for use by local action committees were developed; wetlands were identified and mapped; environmental assessments and tillage surveys were conducted; interagency agreements were signed to better facilitate and coordinate activities with other Federal agencies, State agencies, and international commissions and Provincial agencies; and SCS officials served on several committees with other Federal, State and International representatives to address common water quality concerns.

Technology and Data Base Development. Technology and data base development is used to provide policy, planning and implementation tools needed for the Water Quality Initiative. Information contained in the National Resources Inventory (NRI) and data bases in the areas of soil survey, agrichemicals, climatology, and plant materials is being integrated and compiled to provide relevant information that will focus water quality efforts on areas where combinations of factors (i.e., land use, crop productivity, agrichemical use, climate, soils, etc.) threaten both surface and/or groundwaters. SCS is updating water quality practices (i.e., pesticide management, nutrient management, agricultural waste management composting, constructed wetlands and filter strips) for the SCS Field Office Technical Guides to reflect existing and new research results as they relate to local resource conditions; developed and conducted water quality training exercises for personnel in the agency as well as outside the agency; developed Geographic Information Systems which are used to evaluate specific site conditions, support water quality problem identification, and plan appropriate preventive measures; developed Field Office Engineering System (FOES) computer software to assist in the design of structural water quality practices; and reviewed the applicability of existing water quality simulation models to assist in progress reporting, analysis, and evaluating water quality activities.

Interagency coordination for water quality activities includes the following efforts:

Conservation Liaison positions have been established in 10 EPA regional offices and EPA national headquarters to provide conservation support for nonpoint activities relating to Section 319 of the Clean Water Act. Thirty similar positions have been established to support state environmental agencies. An additional liaison position has been established with EPA, TVA and Southeastern Egg and Poultry Association. This position provides a liaison for water quality needs with the regional poultry association.

Direct coordination between SCS and the Extension Service continues through the Education and Technical Assistance Committee to support the implementation of Water Quality Initiative (WQI) elements. This committee oversees the selection, planning and implementation of the nonpoint source Hydrologic Unit Areas and the Regional Demonstration Projects. Committee representation includes ASCS, ARS, CSRS, ERS, FS, EPA, NOAA and USGS.

Research in the area of agricultural related nonpoint source pollution is being coordinated with ARS, FS, EPA and USGS through the interagency Technical Integration Group to develop necessary conservation practices, evaluation procedures and research plans.

To coordinate the SCS water quality effort, the agency has completed a Five-Year Water Quality Action Plan that identifies program and technology objectives and actions to implement the USDA WQI. This plan, in concert with the State Water Quality Plan and water quality supplements to the SCS Field Office Technical Guide, provides guidance for future water quality and quantity activities.

Natural Resources Inventory: This work consists of collecting, interpreting, analyzing, and distributing natural resource and environmental data; and providing



the results to users for strategic planning, policy development, resource conservation program implementation, and appraising. The major effort is directed toward collecting and reporting statistically reliable data on the status and condition of the resources on nonFederal lands, and supporting interpretation and spatial analysis of these data. Access to these data is provided via modern computers and Geographic Information System technology. Inventory and monitoring includes making special resource interpretation maps, reporting on wind erosion conditions in the Great Plains States, and conducting special inventories. These special inventories and updates are used to report changes in resource conditions such as shelterbelts and wetlands. These activities provide technical resource data and interpret them for application in national, regional, and local land use and conservation program decisions, assessing ecosystems and supporting public policy.

The inventory and monitoring program is authorized by the Rural Development Act of 1972 (P.L. 92-419) and strengthened by the Soil and Water Resources Conservation Act (RCA) of 1977 (P.L. 95-192) and the Food Security Act of 1985 (P.L. 99-198), and the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624). Since the passage of the Rural Development Act of 1972, the Soil Conservation Service has completed four National Resources Inventories at 5 year intervals (1977, 1982, 1987, and 1992). The five year cycle involves a continuous evolving process including planning, data collection, processing, analysis, and evaluation phases. The data elements collected during these inventories can be grouped into eight major categories: (1) soil characteristics and interpretations; (2) land cover, (3) land use; (4) erosion; (5) land treatment; (6) conservation treatment needs; (7) vegetative conditions; and (8) potential cropland.

Analysis and use of National Resources Inventory (NRI) data continues to address natural resource conservation and environmental issues and concerns such as those related to the 1985 and 1990 Farm Bills, water quality initiatives and changes in wetlands. The NRI provides information for state and national policy and program formulation, development of conservation legislation; allocation of funds, and placement of personnel. In addition, the data are used by other Federal agencies, state governments, universities, consultants, resource and conservation organization, and the media.

Specific concerns to which efforts are now being directed are as follows:

1. Streamlining data gathering and improving access to NRI data. Data collection for the 1992 NRI was completed in June 1993. The 1992 NRI was developed taking many factors into account, including data for analysis needed by March 1994 to aid in Farm Bill and RCA deliberations, and implementing recommendations from a 1989 report entitled "Streamlining the National Resources Inventory Process". A unique and powerful trending computerized data base is being developed. It features: site-specific natural resource information for three points in time (1982, 1987, and 1992); linkage to the agency's soils data bases; and spatial linkage to numerous other data bases.
2. Exploring techniques to improve inventory operations. Geographic information systems are being used and evaluated for providing data analysis and display. Developmental activities are being funded to better identify residue cover, seek water quality data, improve data collection procedures, use image processing and other technical tools, and link Forest Service inventory data with SCS databases. SCS is cooperating with the Economic Research Service, the National Agricultural Statistical Service, and the U. S. Geological Survey in the USDA Area Study Program, designed to provide chemical use and farming practice information in large watersheds to support the USDA water quality initiative. Efforts are also underway to integrate data from other agencies with SCS data to create a more complete resource data base and expand analytic capabilities. Information and technology is being provided to the Environmental Protection Agency's Environmental Monitoring and Assessment Project (EMAP) researchers.



3. Reporting wind erosion conditions for the 10 Great Plains" States. Each year during the November 1 to June 1 wind erosion season, 541 counties in the Great Plains States prepare estimates of cropland, rangeland, and other land damaged by wind erosion; crops and cover destroyed on land not damaged; land prevented from damage by emergency tillage; and land in condition to blow. Also data are provided on the major factors contributing to wind erosion for the blowing season. The report is used for informational purposes, to alert conservationists and others on the extent and severity of wind erosion in the high-hazard areas and as a basis for planning and installing appropriate conservation measures.
4. Inventorizing special resource problems. Periodic reports are prepared on short-duration natural phenomena that affect health, safety, and agricultural production. Examples are drought, hail, floods, hurricanes, tornadoes, volcanic eruptions, prolonged temperature extremes, fires, plant diseases, and insect infestations. A special study to update NRI wetlands data was conducted during June and July 1991. Field visits for wetland determinations were made to a subsample of 1987 NRI sample sites. Scientifically valid estimates of wetland conversions on the United States non-Federal rural lands were compiled, on a nationwide basis, for the period 1982 to 1991. The results are being used for program planning and developing regulations.

Strategic Planning and Policy Analysis: SCS has leadership for the development and preparation of the resource appraisal, national conservation program, and statement of policy required by the Soil and Water Resource Conservation Act of 1977 (P.L. 95-192) (RCA), as amended by the Food Security Act of 1985 (P.L. 99-198). Activities carried out under this act, and authorities otherwise contained in the act of 1935 (P.L. 74-46), help SCS, USDA, and Congress, soil and water conservation districts, and other Federal, State, and local agencies identify the magnitude and complexity of soil and water resource problems; identify the present and likely future demands on the soil, water, and related natural resources of the Nation; formulate and resolve natural resource policy issues; and make needed shifts toward the highest priority conservation tasks.

SCS has implemented a formal strategic planning process. A strategic plan has been developed and approved by the SCS Chief and management officials throughout the Agency. The Chief and staff also consulted with a wide array of customer groups, such as the National Association of Conservation Districts, farm groups, environmental groups, and USDA Agencies and had input from the field staff to define the needs and expectations of SCS's clients. The strategies are to:

- Anticipate key natural resource issues and propose effective policies to address them.
- Encourage voluntary solutions to natural resource problems.
- Advocate total resource management.
- Promote the efficient management of water and the enhancement of its quality.
- Maintain a highly-skilled, diverse work force capable of providing quality customer-oriented service.

Initiatives are being incorporated into Annual Plans of Operations throughout SCS and a National plan for each strategy is being developed.

Resource Appraisal and National Conservation Program (NCP). In 1980, the first Appraisal, authorized by P.L. 95-192, was issued and used to formulate the first NCP in 1982. The Second Appraisal, published in 1989 provided the basis for the 1988-97 NCP update. The Food Security Act of 1985 extends the RCA authority to 2008 and requires appraisals and NCP updates every 10 years.

The Third RCA Appraisal for 1995 is directed toward the achievement of a better understanding of the environmental relationships of alternative choices in agricultural production. It will:

- o Assess the condition and trends of soil, water, and related resources on nonfederally owned lands.
- o Project the short and long-term environmental quality and sustained agricultural conditions which would be attained under alternative agricultural production, conservation, commodity, environmental, and trade policies and their affect on the environment, producers, and the economic, social, and institutional structure of rural America.
- o Evaluate Federal/state/local conservation partnerships to further the protection, conservation, and enhancement of the environment for sustained production.
- o Assess the use, management, and conservation of cropland, forestland, rangeland, pastureland, and wetlands in meeting the role of total resource management and multiple conservation benefits.
- o Address emerging resource issues and tradeoffs.

The 1988-97 National Conservation Program Implementation. The key components of the 1988-97 NCP are to increase:

- Concentration on problems identified as national priorities (i.e., reducing excessive soil erosion and protecting water quality and quantity).
- Cooperation with members of the conservation partnership of Federal, State and local agencies and private organizations.
- Improving consistency between conservation programs and other farm programs to ensure that all USDA farm programs support conservation goals.

SCS has made progress in developing and implementing actions to support each of the program components. For example, the erosion priority is being addressed under the terms of the Food Security Act. In response to the President's Water Quality Initiative, SCS is evaluating the extent to which USDA water quality projects are cost effectively protecting and improving waters from agricultural nonpoint source pollution. SCS is evaluating the extent to which USDA water quality projects are cost effectively protecting and improving waters from agricultural nonpoint source pollution. SCS conducted a case study evaluation of FSA implementation in 14 counties and 4 states during 1993. Focus group sessions were held with producers, on-site field visits were conducted, and local agency administrators were interviewed as part of the evaluation. The evaluation visits were completed the first week of October, 1993. A report on the findings is being prepared with an expected release date in January, 1994.

SCS's expanded capability for policy analysis. Examples of specific initiatives to which efforts are being directed include:

- The development of a long-range strategic plan for defining the issues which are critical to the future of SCS.
- Model development to evaluate the impact of alternative conservation policies on soil, water, and wildlife resources at the farm, regional, and national levels.
- Strengthen the conservation partnership by: cooperating with the University of Tennessee to develop sustainable agriculture enterprise budgets for limited resource farms in the mid-South; providing leadership for assessing the impact of the USDA/1890 Institution initiatives; and providing financial support of a pilot program in 10 states for building the leadership capacity of the Soil and Water Conservation Districts.

- Evaluating the water quality demonstration projects authorized under USDA's 5-Year Water Quality Plan. In the 16 projects, an evaluation was made of the effectiveness of the demonstration approach for achieving voluntary, cost-effective, accelerated adoption of water quality protection measures.

### SOIL SURVEYS

Current Activities: The SCS has leadership for the National Cooperative Soil Survey (NCSS). It is the only soil survey conducted by Federal, State, and local units of government and State Agricultural Experiment Stations. The NCSS is the process through which soils are studied in the field and in the laboratory. They are described and the boundaries plotted on aerial photographs. Soil interpretations explain alternative uses and behavior of the soils. The results of research on soils and of experience in using them contribute to these explanations.

The objective of the NCSS is to provide and maintain soils information in both published copy and digital copy that meets the users needs and supports those users in the use of that information. Digital data is provided at three levels of generalization. Soil Survey Geographic Data Base (SSURGO) is the most detailed level of information and is used primarily by landowners, townships, counties or parishes, and watershed hydrologic units for planning and resource management. State Soil Geographic Data Base (STATSGO) is used primarily for multi-county, state, and river basin planning and resource management and monitoring. National Soil Geographic Data Base (NATSGO) is used primarily for multi-state, regional, and national planning and resource appraisal, monitoring, and appraisal. Soils information is used by many Federal, State, and local organizations, and individuals.

Because of the Geographic Information System (GIS) technology, these agencies, organizations and individuals have increased their demand for a computerized digital copy of this basic resource information. This technology has also increased the kinds of interpretations requested by old and new users, and has led to an increased workload for updating and maintaining existing soil information in a digital format. About 10 percent of the completed soil surveys are now available in digital format.

The first soil surveys made were primarily for agricultural purposes. In about 1950, the soil survey program was revised and soils were identified and classified using basic soil properties. This enabled soils to be interpreted for additional users such as urban planners, engineers and other resource managers. By identifying the additional soil properties important to these particular users the usability of soil surveys was expanded. The National Soil Information System (NASIS), currently being developed, will further expand the usability of soil surveys. This information system will make information on soil properties available electronically for each soil survey.

A system of soil classification used in making soil surveys, called Soil Taxonomy, has been developed by SCS in cooperation with other interested agencies of State and local governments and many foreign contributors. Close adherence to this system allows knowledge and experience gained from one soil in one area to be used in other areas where the same kind of soil occurs. This is extremely useful since soil properties are rarely uniform over broad areas.

A soil survey is the basic inventory that forms the foundation for most SCS programs. It also provides information critical for water quality, waste disposal and wetland programs for other agencies. It is the basis for determining the potential soil erosion hazard, wetlands, susceptibility or potential for ground water contamination, and suitability and productivity for cultivated crops, grasses, and trees. It is the basis for the conservation alternatives SCS provides to those who request assistance. It enables land users to predict how each kind of soil will respond to use, management, and treatment. Soil surveys are also of importance to planners, engineers, zoning commissions, tax commissioners,



homeowners, developers, and others. Many have suffered severe losses when facilities were located on unsuitable soils for which appropriate treatment was not provided to compensate for unfavorable soil conditions. In many instances, the use of soil survey information in construction site selection can decrease initial construction cost as well as maintenance cost.

Soil surveys also provide a basis to help predict the impact of global warming on worldwide agricultural production and other land dependent processes. SCS provides soil scientists to assist users in understanding and in adapting the soil survey information to their particular needs.

Selected Examples of Recent Progress: As of September 30, 1993, soil maps that meet the current standards for all potential users had been prepared on nearly 1.7 billion acres or about 73 percent of the country. During FY 1993, SCS soil scientists mapped and updated 24,903,097 acres, and another 3,033,224 acres were mapped and updated by other Federal, State, and local agencies in cooperation with SCS for a total of 27,936,321 acres mapped in FY 1993.

Soil mapping priority is currently being directed toward completion of all previously unmapped private lands and updating mapping and interpretations that no longer meet user needs and requirements.

State, local, and other Federal agencies involved in the NCSS provide about 15 percent of the funds and 20 percent of the personnel services used to produce soil maps and interpretive data.

Soil Survey Publications: A total of 39 soil surveys were edited and sent to the Government Printing Office during FY 1993. Soil surveys for 48 counties or soil survey areas were published in FY 1993. Thirty-seven of the surveys published were for new counties, and eleven were reprints of previously published surveys.

#### SNOW SURVEY AND WATER SUPPLY FORECASTING

Current Activities: Snowmelt provides about 80 percent of the stream flow in the west. SCS conducts snow surveys and develops water supply forecasts for water users in 11 Western states and Alaska. Agriculture, municipal, industrial, recreation and fish and water users are the primary recipients of these forecasts, but fish and wildlife activities also use them to carry out their mission. Data from some 850 manual snow courses and 576 automated SNOTEL (for snow telemetry) sites along with 575 stream gauges, 310 reservoirs, and 1,200 precipitation stations and 2,000 climatological stations are used to generate user products through an automated centralized forecasting system. These measurements are made by SCS in cooperation with other Federal, State and local agencies, power companies, irrigation companies, and the Provincial Government of British Columbia. Numerous routine and interactive programs for manipulating hydrologic and meteorologic data are included in programs within the system. These are mainly intended to aid in applying snow survey program information to conservation activities and ecosystem analysis at the field office level and to generate water supply forecasts. The Centralized Forecasting System hosted over 28,000 separate information accesses by users through telecommunications in 1993.

Water supply forecasts are issued cooperatively with the National Weather Service beginning in January and concluding in June. The water forecasts help irrigators make the most effective use of available streamflow for agricultural production needs. Other Federal agencies and private organizations also use water supply forecast information to help them carry out their missions. These forecasts also help the Federal government in administering international water treaties. State governments use the information in managing intrastate streams and interstate water compacts. Municipalities use the forecasts to plan the management of the anticipated water supply early in the year. The operation of reservoirs satisfying multiple-use demands is also heavily dependent on timely, accurate water supply forecasts.

The upgrade of the field components of the SNOTEL system has been completed and now the focus of program activities has shifted into the area of improving precision in information measurement, transmission and timely transferring to the public. Another 200 remote SNOTEL sites will be added to provide additional data water supply forecast information needed for water users. The current data collection of the SNOTEL system is limited because it does not include required soil moisture and temperature data for soils research and forecasting and modeling purposes. In an attempt to broaden the scope of the data network, a pilot project has been implemented to apply meteor burst technology for soils moisture and temperature data and other applications, such as wind erosion monitoring and water quality.

Building upon the success and experience of the Snow Survey and Water Supply Forecasting program in providing natural resource information for the Western United States, a Climate Data Access Facility (CDAF) was created in October 1990. Located at the West National Technical Center, CDAF provides climatic data and analysis required to support the SCS Field Office Computing System resource information needs and other conservation activities nationwide. CDAF maintains a climate data base which supports rapid electronic data and analysis for all 50 states, the Pacific Basin, and the Caribbean Islands. A trained network of SCS Climate Data Liaisons located in each State coordinates the needs of the customers.

The CDAF quality controlled data base contains historic information for nearly 17,000 climate stations. Products provided include on-line climate information through the Centralized Data Base System and special reports including: (1) a comprehensive historical 15 minute-hourly data set for the Chesapeake Bay project, (2) 3,000 historical climate data sets for RUSLE (Revised Universal Soil Loss Equation) implementation in DOS format, and (3) 106 climatic summaries prepared for SCS soil surveys. These and other services provided an estimated benefit of \$491,000 in 1993.

#### PLANT MATERIALS CENTERS

Current Activities: Plant Materials Centers (PMC's) are operated by or receive technical assistance from SCS for developing conservation systems using plant materials. The process may include developing techniques for the effective use of plants and assembling, testing, selecting, releasing, and providing for the commercial production of plants to protect our natural resources. The priority of plant materials development is determined by the objectives and priorities of the SCS Strategic Initiatives for the 1990's and specific conservation problems within each PMC's service area. Special emphasis is currently being placed on: (1) reducing erosion from cropland by selecting cover crops and developing systems for their use to provide winter cover on low residue crops such as cotton, and soybeans; (2) improving and protecting the quality of surface and groundwater by developing filter strips between cropland and streams, developing the plants and technology for bio terraces, and developing artificial wetlands for removing pollutants from waste water; (3) creating or restoring wetlands; (4) protecting grazing resources - range, pasture and forestland - by developing higher producing, longer-life native forage varieties, and managing desirable native plants to control the spread of noxious weeds; (5) protecting upland riparian areas and coastal shorelines; (6) developing plants and systems for their use that support low input sustainable agriculture such as replacing erosive annual forage crops with perennial plants for use on highly erodible cropland; and (7) accelerating commercial production of previously released conservation plants in high demand for use in conservation programs.

Significant progress has been made on initiatives included in the Plant Materials Centers Program Strategic Plan that was approved in April, 1992. Technical capabilities of the PMC's are rapidly improving. A methodology for national and multi-PMC coordination is in place and being implemented. Policy for accelerating technology transfer activities by collection and use of royalties from new plant releases is being issued. Adjustments in PMC locations and service areas have been made to better serve our clients and build partnership with other agencies.

Improvement in the automation of data gathering is progressing on schedule which will result in faster technology transfer to the end user of plant materials results. The work at the centers includes cooperation with other Federal and State agencies, agriculture experiment stations, State departments of natural resources, conservation, wildlife, and seed and nursery associations to encourage production and promotion of improved plants. Plant Materials Centers and the National Park Service continued an excellent cooperative effort to revegetate sites disturbed in parks with plant materials for the disturbed site. This effort has been used on a prototype for developing a similar relationship with the U.S. Army and the entire agency.

Twenty-two PMC's are operated by SCS and four by cooperating agencies or by others. They are:

Operated by SCS:

Tucson, Arizona  
Booneville, Arkansas  
Lockeford, California  
Brooksville, Florida  
Americus, Georgia  
Molokai, Hawaii  
Aberdeen, Idaho  
Manhattan, Kansas  
Quicksand, Kentucky  
Golden Meadow, Louisiana  
Beltsville, Maryland

East Lansing, Michigan  
Coffeeville, Mississippi  
Elsberry, Missouri  
Bridger, Montana  
Cape May, New Jersey  
Big Flats, New York  
Corvallis, Oregon  
Kingsville, Texas  
Knox City, Texas  
Nacagdoches, Texas  
Pullman, Washington

Operated by Cooperating Agencies with Technical Assistance and Funding by SCS:

Los Lunas, New Mexico (New Mexico State University)  
Bismarck, North Dakota (North Dakota Association of SCD's)  
Meeker, Colorado (White River and Douglas Creek Soil  
Conservation Districts with partial funding from SCS)

Other:

In addition to the 25 centers listed above, the State of Alaska operates a PMC at Palmer. SCS provides technical assistance to this center through a cooperative agreement.

Comparative Plant Testing: During FY 1993, approximately 20,000 domestic and foreign plant collections were being comparatively evaluated in 60,000 plots by the PMC's. These plants are being evaluated for cropland cover crops, artificial wetlands, protecting range, pasture and forest resources, stabilizing critical areas such as sand dunes, streambanks, and shorelines, road cuts and fills, utility corridors and surface mined lands, grass hedges, and replacement of annual forage plants with perennial and for wind breaks to protect cropland. An increasing emphasis is being placed on the collection and evaluation of native plant materials for these uses. The final evaluation of new plants and cultural methods is made on farms and ranches in conservation districts under actual use conditions. There are nearly 2,000 such tests underway now.

Plant Releases for Commercial Production: The SCS, over the years, has released over 335 different varieties of conservation plants to commercial producers. Some varieties have been replaced with superior plants. Currently, about 235 improved varieties are in commercial production and used in conservation programs. Ten new plants were released 1993.

Commercial production of SCS released conservation plants in FY 1992 was approximately 21 million pounds of seed and 29 million plant seedlings. The commercial value of this production was approximately \$70.0 million.



Plants for Solving Conservation Problems: Some of the major soil conservation problems for which plants are currently being evaluated including emphasis on emerging problems are as follows:

1. Cropland erosion. Conservation plants that are both compatible with the cropping systems and reduce erosion are being developed. This will assist future conservation compliance efforts. The Americus Georgia PMC released an improved hairy vetch in 1993. The New York and New Jersey PMC's are publishing results from lysimeter studies on the nutrients uptake of various grasses. Work published by the Jamie L. Whitten Mississippi PMC, which showed that no-till cotton production is as high or higher than conventional tillage is being widely expanded and used in Mississippi and the adjacent states.
2. Water Quality. The use of constructed wetlands for improving the quality of water coming from agricultural waste is being evaluated at PMC's in Georgia, Oregon, Kentucky, Idaho and New Mexico. Four PMC's are currently evaluating grass and other plant species for their ability to uptake plant nutrients from runoff or from the soil profile. The Georgia PMC is releasing four plants, and the technology for their use, to use in wetlands for improving water quality. This work is being published and incorporated into SCS specifications.
3. Wetland restoration and creation. The New Jersey and Louisiana PMC's are continuing efforts to restore salt water marshes in coastal areas. The New Jersey PMC released a superior smooth cord grass, a native, for use in building coastal marsh along the Atlantic coast. Four PMC's have initiated studies that will lead to species and methodology for creating fresh water wetlands. The Jamie L. Whitten PMC published a national source list of wetland plants which is also available electronically. These PMC's are developing alternative release procedures to get plants to the client more quickly.
4. Range, pasture and forest grazing lands. Protecting range, pasture and forest grazing lands and improving forage quality and quantity continues to receive special emphasis particularly on low fertility, shallow, saline, or alkaline soils, and for use in arid and semiarid areas.
5. Low input sustainable agriculture. Plants and systems are being developed to support low input sustainable agriculture. There is a growing emphasis and priority at PMC's to address this potential. Significant progress is being made in finding a perennial grass to replace corn silage. Because there is no residue remaining following the harvest of corn silage, the land is exposed to surface erosion over the winter. This is a particular problem where corn silage is commonly grown on sloping land. Perennial grasses which produce 60-70 percent as much total digestible nutrients as corn show potential. It's use will reduce fertilizer, energy and herbicide input significantly and eliminate erosion. Easkin gamagrass is emerging as the most promising plant. Field trials are underway now, testing the process and superior germplasm.

Renovation of Facilities and Equipment at Plant Materials Centers: FY 1993 was the fourth of a five-year program to renovate facilities and equipment at PMC's. Six PMC's constructed new buildings or made major additions or alterations to existing buildings. This program will significantly improve the efficiency and capability of PMC's when completed.

USDA Plant Names Data Base: A data base became available for use by all USDA agencies, other Departments, universities, and private groups called Plant List of Accepted Nomenclature, Taxonomy and Symbols (PLANTS), that standardizes the use of plant names. It will become a part of INFOSHARE. Progress has been possible through the partnership with the University of North Carolina, Biotz of North America program.

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

River Basin Surveys and Investigations

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, in accordance with section 6 of the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1006-1009), [\$13,482,000] \$11,000,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$60,000 shall be available for employment under 5 U.S.C 3109.

River Basin Surveys and Investigations

Appropriation Act, 1994.....	\$13,482,000
Budget Estimate, 1995.....	<u>11,000,000</u>
Decrease in Appropriation.....	<u>-\$2,482,000</u>

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

Item of Change	1994 Estimated	Pay Cost	Other Changes	1995 Estimated
River Basin Surveys:				
1. USDA cooperative studies.....	\$7,820,000	--	-\$1,440,000	\$6,380,000
2. Flood plain management assistance.....	3,505,000	--	-645,000	2,860,000
3. Interagency coordination and program formulation.....	<u>2,157,000</u>	--	<u>-397,000</u>	<u>1,760,000</u>
TOTAL AVAILABLE.....	<u>\$13,482,000</u>	--	<u>-\$2,482,000</u>	<u>\$11,000,000</u>

PROJECT STATEMENT  
(On basis of appropriation)

Project	1993 Amount	1993 Staff: :Years:	1994 Estimated Amount	1994 Estimated Staff: :Years:	Increase or Decrease	1995 Estimated Amount	1995 Estimated Staff: :Years:
River Basin Surveys:							
1. USDA cooperative studies.....	\$7,689,000:	120:	\$7,820,000:	119:	-\$1,440,000:	\$6,380,000:	96
2. Flood plain mgmt. assistance.....	3,454,000:	54:	3,505,000:	53:	-645,000:	2,860,000:	42
3. Interagency coord. and program form..	<u>2,108,000:</u>	<u>33:</u>	<u>2,157,000:</u>	<u>33:</u>	<u>-397,000:</u>	<u>1,760,000:</u>	<u>26</u>
Total available or est	<u>\$13,251,000:</u>	<u>207:</u>	<u>\$13,482,000:</u>	<u>205:</u>	<u>-\$2,482,000:</u>	<u>\$11,000,000:</u>	<u>164</u>

PROJECT STATEMENT  
(On basis of available funds)

Project	1993 Amount	1993 Staff: :Years:	1994 Estimated Amount	1994 Estimated Staff: :Years:	Increase or Decrease	1995 Estimated Amount	1995 Estimated Staff: :Years:
Direct obligations:							
River Basin Surveys:							
1. USDA cooperative studies.....	\$7,650,094:	120:	\$7,820,000:	119:	-\$1,440,000:	\$6,380,000:	96
2. Flood Plain manage- ment assistance....	3,430,767:	54:	3,505,000:	53:	-645,000:	2,860,000:	42
3. Interagency coord. and program form..	<u>2,111,704:</u>	<u>33:</u>	<u>2,157,000:</u>	<u>33:</u>	<u>-397,000:</u>	<u>1,760,000:</u>	<u>26</u>
Total direct oblig....	<u>13,192,565:</u>	<u>207:</u>	<u>13,482,000:</u>	<u>205:</u>	<u>-2,482,000:</u>	<u>11,000,000:</u>	<u>164</u>
Unobligated balance lapsing.....	(+58,435) (--)		(--)	(--)	(--)	(--)	(--)
Total available or est	(13,251,000) (207)		(13,482,000) (205)		(-2,482,000)	(11,000,000) (164)	
Reimbursable oblig....	<u>936,366:</u>	<u>15:</u>	<u>1,000,000:</u>	<u>16:</u>	--	<u>1,000,000:</u>	<u>16</u>
Obligational authority	<u>\$14,128,931:</u>	<u>222:</u>	<u>\$14,482,000:</u>	<u>221:</u>	<u>-\$2,482,000:</u>	<u>\$12,000,000:</u>	<u>180</u>

SOURCES OF REIMBURSEMENTS

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
River Basin Surveys:				
USDA cooperative studies.....	\$126,250	\$130,000	--	\$130,000
Flood Insurance Studies.....	207,300	210,000	--	210,000
Other Federal Sources.....	166,091	170,000	--	170,000
Other Non-Federal Sources.....	<u>436,725</u>	<u>490,000</u>	--	<u>490,000</u>
Total reimbursements.....	<u>\$936,366</u>	<u>\$1,000,000</u>	--	<u>\$1,000,000</u>



OUTLAYS

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
River Basin Surveys:				
1. USDA Cooperative Studies.....	\$8,108,715	\$7,803,000	-\$1,334,000	\$6,469,000
2. Flood plain management assistance	3,642,540	3,505,000	-599,000	2,906,000
3. Interagency coordination and program formulation.....	2,223,067	2,139,000	-365,000	1,774,000
Total Outlays.....	\$13,974,322	\$13,447,000	-\$2,298,000	\$11,149,000

EXPLANATION OF PROGRAM

The appropriation "River Basin Surveys and Investigations," funds three activities as authorized by Public Law 83-566, as amended. The Department cooperates with other Federal and State agencies in making surveys and investigations of watersheds of rivers and other waterways. Activities include:

1) USDA Cooperative Studies:

The Department participates in:

- Studies of agricultural and other rural land and water resources within river basins to gather basic data on existing and potential water supplies, present and future land use, current and potential economic development, and existing erosion and sediment problems.
- Studies and investigations are made of agricultural, rural, and upstream water and land resources and problems to determine corrective actions needed and potentials for conservation and use. Evaluations include:
  - Erosion and sediment damage to rural lands and properties,
  - Upstream floodwater damage to rural lands and properties,
  - Water quality improvement and improved instream flows,
  - Opportunities for water conservation,
  - Maintaining existing drainage of agricultural lands,
  - Water quality and chemical use in land management practices,
  - Wetland and water storage capacity,
  - Agricultural drought problems,
  - Agricultural water needs for livestock and domestic use,
  - Rural development and municipal and industrial water needs,
  - Methods to preserve prime and unique farmlands,
  - Water needs for fish, wildlife, and forest-based industries.

The planning activity gives consideration to finding alternative combinations of land treatment, structural and nonstructural measures to solve the area's problems, meet the identified needs, and develop the indicated potentials.

2) Flood plain management assistance:

- Is carried out in cooperation with State and local governments,

- Identifies flood hazards on selected flood plain reaches and the location and use of wetlands,
- Provides reports which include flood profiles and maps showing areas subject to flooding by select frequency floods,
- Provides information needed by State and local governments to implement land use and flood plain management programs.

3) Interagency Coordination and Program Formulation:

- Provides national policy and program leadership direction to studies of river basins, flood plain management, and Colorado River Salinity activities;
- Provides USDA participation in water policy and program coordination at the National level.
- Provides USDA membership and participation in the activities of three Federal-State Interagency Committees (SEBIAC, PSIAC, AWRBIAC), the Susquehanna and Delaware River Basin Commissions, and other regional entities involved in water and related resource planning and coordination.
- Provides reviews of proposed reports and water projects of other Departments and agencies.

The following tabulation shows the number of surveys and obligations by type of survey for fiscal years 1993, 1994, and 1995.

	1993	1994	1995
1. Surveys in cooperation with State and other Federal agencies:			
(1) Surveys in progress, start of year.....	76	90	80
(2) Surveys initiated during year.....	32	25	0
(3) Surveys completed during year.....	18	35	25
(4) Surveys in progress, end of year.....	90	80	55
Total Cost Cooperative Surveys (000's).....	\$7,651	\$7,820	\$6,380
2. Flood Plain Management Assistance Program:			
(1) Studies in progress, start of year.....	77	84	96
(2) Studies initiated during year.....	60	67	0
(3) Studies completed during year.....	53	55	50
(4) Studies in progress, end of year.....	84	96	46
Total Cost Flood Plain Management Studies (000's)	\$3,430	\$3,505	\$2,860
Reimbursable Flood Insurance Studies (non-add) (000's).....	(\$936)	(\$1,000)	(\$1,000)
(1) Studies in progress, start of year.....	4	7	10
(2) Studies initiated during year.....	11	6	6
(3) Studies completed during year.....	8	3	4
(4) Studies in progress, end of year.....	7	10	12
3. Interagency Coordination and Program Formulation (000's).....	\$2,111	\$2,157	\$1,760
Total direct obligations (000's).....	\$13,192	\$13,482	\$11,000

# JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$2,482,000 is requested for the River Basins Surveys and Investigations Program consisting of:

- (a) A decrease of \$412,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 3.0 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (b) A decrease of \$100,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$100,000.

Nature of Change. In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$100,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded for the uncontrollable FY 1995 increased pay and inflationary costs.

- (c) A decrease of \$1,970,000 for program funding.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets.

Nature of Change. This funding level reduces the size and scope of River Basin studies, and directs work to high priority resource concerns in areas where there is a high level of local participation and commitment to implementing study recommendations with other than federal programs. Work will continue on the cooperative river basin studies and flood plain management studies already in progress at the beginning of 1995. No new cooperative studies or flood plain management studies would be initiated and work on existing studies would be slowed. There is a loss of 35 staff years associated with this reduction.

Priority would be given to completing studies where local sponsors are willing and able to pay the costs of measure installation. A redirection toward a more holistic ecosystem management approach will continue with emphasis on studies that respond to water and related land resource needs related to agricultural and rural community flooding, agricultural pollutants contributing to nonpoint water quality, and agricultural water management.



Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
 1993 and Estimated 1994 and 1995  
 RIVER BASIN SURVEYS AND INVESTIGATIONS

	1993		1994		1995	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$201,943	4	\$91,820	2	\$76,000	2
ALASKA.....	229,993	4	140,430	2	117,000	2
ARIZONA.....	216,001	3	129,630	2	108,000	2
ARKANSAS.....	329,996	6	297,070	5	247,000	4
CALIFORNIA.....	424,833	8	432,110	8	360,000	7
COLORADO.....	173,000	3	216,050	4	180,000	3
CONNECTICUT....	170,004	4	189,050	4	157,000	3
DELAWARE.....	49,935	1	75,620	1	63,000	1
FLORIDA.....	230,000	4	243,060	4	202,000	3
GEORGIA.....	207,879	3	216,050	3	180,000	2
HAWAII.....	120,002	1	183,650	1	153,000	1
IDAHO.....	324,918	5	286,270	4	238,000	3
ILLINOIS.....	214,132	3	135,030	2	112,000	2
INDIANA.....	269,959	5	297,070	5	247,000	4
IOWA.....	323,984	6	351,090	6	292,000	5
KANSAS.....	219,988	3	216,050	3	180,000	2
KENTUCKY.....	250,000	4	243,060	4	202,000	3
LOUISIANA.....	218,304	2	270,070	3	225,000	2
MAINE.....	39,967	0	75,620	1	63,000	1
MARYLAND.....	100,001	2	0	0	0	0
MASSACHUSETTS..	48,503	1	39,750	1	33,000	1
MICHIGAN.....	219,999	4	259,260	5	216,000	4
MINNESOTA.....	340,004	6	367,290	6	306,000	5
MISSISSIPPI....	309,669	7	324,080	7	270,000	6
MISSOURI.....	375,005	7	419,680	8	349,000	7
MONTANA.....	178,001	3	183,650	3	153,000	2
NEBRASKA.....	300,001	6	280,870	5	234,000	4
NEVADA.....	65,002	1	75,620	1	63,000	1
NEW HAMPSHIRE..	245,198	4	288,650	5	240,000	4
NEW JERSEY.....	124,433	3	151,240	4	126,000	3
NEW MEXICO.....	217,000	4	194,450	3	162,000	2
NEW YORK.....	243,822	6	264,660	6	220,000	4
NORTH CAROLINA..	230,001	4	156,640	3	130,000	2
NORTH DAKOTA....	149,998	3	108,030	2	90,000	2
OHIO.....	314,999	6	324,080	6	270,000	5
OKLAHOMA.....	160,000	3	225,240	4	188,000	3
OREGON.....	149,859	3	151,240	3	126,000	2
PACIFIC BASIN..	31,004	0	129,630	2	108,000	2
PENNSYLVANIA...	199,860	3	108,030	2	90,000	2
PUERTO RICO....	49,931	0	75,620	1	63,000	1
RHODE ISLAND...	51,302	1	60,490	1	50,000	1
SOUTH CAROLINA..	250,001	5	259,260	5	216,000	4
SOUTH DAKOTA....	133,959	2	129,630	2	108,000	2
TENNESSEE.....	252,958	4	297,070	5	247,000	4
TEXAS.....	240,000	5	291,670	6	243,000	5
UTAH.....	119,941	3	189,050	5	157,000	4
VERMONT.....	149,998	2	162,040	2	135,000	2
VIRGINIA.....	199,791	3	216,050	3	180,000	2
WASHINGTON.....	249,983	4	280,870	4	234,000	3
WEST VIRGINIA...	279,979	4	237,660	3	198,000	2
WISCONSIN.....	189,996	3	210,650	3	175,000	2
WYOMING.....	219,999	4	216,050	4	180,000	3
CHESTER NTC....	80,948	1	82,100	1	68,000	1
FORT WORTH NTC..	326,656	2	350,010	2	291,000	2
LINCOLN NTC....	162,999	3	159,880	3	133,000	2
PORTLAND NTC...	106,853	2	109,110	2	91,000	2
NATIONL HDQTRS..	1,116,793	6	1,263,900	6	1,055,000	5
FOREST SERVICE..	793,280	8	750,000	7	400,000	4
Total Available or Estimate...	\$13,192,564	207	\$13,482,000	205	\$11,000,000	164

## RIVER BASIN SURVEYS AND INVESTIGATIONS

## STATUS OF PROGRAM

The Watershed Protection and Flood Prevention Act, Public Law 83-566, Section 6, August 4, 1954, provides for cooperation with other Federal, State, and local agencies in making investigations and surveys of river basins as a basis for the development of coordinated water resource programs. Reports of the investigations and surveys serve as guides for the development of water, land, and related resources in agricultural, rural, and urban areas within upstream watershed settings. They also serve as a basis for coordination with major river systems and other phases of water resource management and development.

The Soil Conservation Service has leadership for administering river basin surveys, investigations, and planning activities including the development of general planning principles, criteria, and procedures; determining land resources availability and land uses; appraising physical problems and needs; determining water, land, and related resources potential of upstream watersheds; and coordinating programs with other agencies. During FY 1993, the Soil Conservation Service obligated \$12,399,284 of the available program funds.

The Forest Service is responsible for forestry aspects of river basin planning, both Federal and nonFederal, and for rangelands administered within National Forests and for the analysis and projection of economic activity related to forest industries. During FY 1993, the Forest Service obligated \$793,280 of the available program funds.

Other agencies in the Department participate in reviews and provide inputs where items of concern to the agency are involved.

COOPERATIVE RIVER BASIN SURVEYS

Current activities: The Department analyzes and projects the soil erosion, upstream flooding, water use, and water quality in the basin. Agricultural water and related land resources and environmental problems are studied to determine corrective actions needed and potentials for resource management and development. Studies are made of erosion, floodwater, and sediment damage to rural lands and properties; problems related to and methods to preserve prime and unique farmlands; agricultural drought problems; opportunities for water conservation, improved instream flows and water quality improvement; and water needs for livestock, rural domestic use, fish, wildlife, forest-based industries, municipalities, and industries. The combination of these activities has a positive effect on rural and non-agricultural America.

The inventories and analyses of water, land, and related resources in upstream watersheds consist of identification of the most critical resource problems to agriculture and rural communities including wetlands and water storage capacity; flooding; the effect of land use and management practices including the use of chemicals on erosion, water quality and flow characteristics; the potential effect of agricultural, rural and upstream watershed management alternatives on erosion and watershed runoff characteristics; rural development; and other State water resources concerns. Consideration is given to the effects of potential water resource projects on lands and programs administered by the Department.

Types of investigations and surveys conducted include USDA Cooperative River Basin surveys and Joint USDA-Corps of Engineers Studies (PL 87639).

USDA Cooperative Surveys with Local, State, and Concerned Federal Agencies: The Department cooperates with local, State, and concerned Federal agencies in the preparation and updating of State water resource plans and special water and related land resources studies. The Department helps States coordinate upstream and downstream elements of water and related land resources planning activities. Through FY 1993 the Department has initiated 451 cooperative surveys and has completed 362.

Joint USDA - Corps of Engineers Studies (PL-87-639): Upon request by the Congress, USDA cooperates with the U.S. Army Corps of Engineers in joint investigations and surveys for solving water and related resource problems for river basins or other specific problem areas. Three studies are expected to be in planning during FY 1994.

#### FLOOD PLAIN MANAGEMENT ASSISTANCE PROGRAM

Current Activities: The Soil Conservation Service assists local governments in developing and implementing local floodplain management programs by carrying out cooperative floodplain management studies in accordance with A Unified National Program for Floodplain Management. Local governments request floodplain management studies from the State agency, which determines the priority for a study. Each study is carried out consistent with a plan of work developed by the local government and the SCS. Studies may include identification of State and locally adopted non-structural measures for floodplain management, flood hazard determination, dam breach hazards, flood proofing, and interpretation of technical data to assist communities in their floodplain management decisions.

The information generated serves as the basis for recommendations to conservation district cooperators and State and local planners and officials regarding proposed land use changes; assisting rural upstream communities with their floodplain management programs and location and use of wetlands; and determining the flooding hazard of proposed housing and building sites for other agencies, such as the Farmers Home Administration. These studies also help identify local implementation programs for flood proofing, emergency preparedness, and other floodplain management activities. The information developed in floodplain management studies is also utilized in a variety of USDA ongoing programs. The study findings are used in watershed planning and preplanning, river basin surveys and investigations, and the reevaluation of floodplains below completed watershed projects. A total of 637 floodplain management studies have been initiated through FY 1993; 563 studies have been completed.

Flood Insurance Studies. SCS performs reimbursable flood insurance studies for the Federal Emergency Management Agency under Section 1360c of the National Flood Insurance Act of 1968 (Public Law 90-448). Flood insurance studies provide the technical information to enable communities to adopt floodplain management regulations to meet the requirements of the National Flood Insurance Program. SCS initiated 13 new flood insurance studies in FY 1993 and has completed a total of 539 detailed flood insurance studies.

#### INTERAGENCY COORDINATION AND PROGRAM FORMULATION

Interagency coordination and program formulation in water and related land resources are achieved at the Federal level through the Cabinet Council on Natural Resources and Environment. The Secretary of Agriculture is a member of the Council. The Secretary has also organized a Policy Coordination Council in the Department. USDA is represented on an interagency Floodplain Management task force and on an Interagency Hazard Mitigation Task Force. Several subcommittees are organized to carry out the work of these task forces.

At the field level, coordination of regional and river basin planning has been achieved through River Basin Commissions, Interagency Committees, and ad hoc coordinating committees. With the discontinuance in FY 1982 of River Basin Commissions formed under the Water Resources Planning Act of 1965, PL 89-80, other regional entities have replaced the Commissions. The Soil Conservation Service continues to represent the Department when USDA representation is needed on the newly formed regional entities.

#### SELECTED EXAMPLES OF RECENT PROGRESS AND ACCOMPLISHMENTS

Study priorities for Cooperative River Basin Surveys are identified in the National Conservation Program as erosion reduction, flood prevention, water conservation, and



water quality improvement. A total of 32 Cooperative River Basin Surveys and 27 flood plain management studies were started in FY 1993.

Water Quality Improvement: Water quality improvement focuses on off-site effects from agricultural non-point source pollutants, groundwater, water quality effects, and animal waste management.

Studies will evaluate the existing off-site surface and groundwater quality problems, estimate the environmental and economic damages, identify the sources of the non-point agricultural pollutants, predict future loadings based on agriculture trends, develop alternative best management practices (BMP's) to reduce the off-site problems, prioritize areas of potential treatment, and prepare a report for conservation districts and state agencies to use in implementing BMP's. Studies have been selected based on being consistent with priority problem areas as recognized by the appropriate state agency who manages water quality improvement, the critical resource being adversely impacted, and the concentration of agriculture.

Activities That Support Local Implementation: Both cooperative river basin surveys and flood plain management studies provide technical assistance to state and local agencies. Technical assistance is provided to assist state and local agencies to formulate soil erosion reduction, flood prevention, water conservation, and water quality plans. State and local as well as private resources are then used to implement the plans.

#### COOPERATIVE RIVER BASIN STUDIES

Georgia Agricultural Non-Point Source Pollution Assessment. In 1991, local leaders including county officials, Soil and Water Conservation District Supervisors, the Georgia Soil and Water Conservation District Supervisors, the Georgia Soil and Water Conservation Commission and others requested the SCS to evaluate non-point source pollution in all streams in Georgia. The charge was to rate the non-point source (NPS) pollution potential of each stream and report to the sponsors.

In 1992, various agencies were brought together as a study group to analyze the available information. In addition to SCS, the group included: The Forest Service; Georgia Department of Natural Resources; University of Georgia Cooperative Extension Service; and, the Georgia Soil and Water Conservation Commission.

This group analyzed data for livestock numbers and animal waste and nutrients produced, cropland and pasture acres by erosion types with nutrient application, pesticide use, climate factors, rainfall, runoff events, agricultural conservation and runoff measures applied.

The study team compiled nutrient loadings of Nitrogen and Phosphorus for all counties and prorated this data to 548 subwatersheds. Based on the information analyzed and the consensus of the study group, the subwatersheds of Georgia have been tentatively ranked as to nutrient loadings. This information went to the field in late 1992 for local evaluation and input. The final product is being published in late 1993.

The assessment will give county governments and Soil and Water Conservation Districts information to plan their long range activities for the protection of county resources. It will also provide the priorities for Federal and State funded water quality implementation projects.

The Cooperative River Basin Program has been a logical tool for this study as it combines the local, state and federal expertise for quality input. The SCS delivery system, through assistance to the local Soil and Water Conservation Districts, is ideally suited to help sponsors implement their decisions.

Delaware Cooperative River Basin Study, Kansas. The purpose of this study is to establish a non-point source pollution management plan to protect and enhance the

quality of water in the Delaware River drainage basin. The plan is developed to address pesticide application with emphasis on atrazine management. This will enable timely assistance on this particular problem with the understanding that the plan will be amended later to include other non-point source pollution categories affecting this area.

A plan has been approved that develops a pesticide management area for all the Delaware River basin. Under this plan, a combination of voluntary and mandatory management and conservation practices will be utilized to limit the input of atrazine into area surface waters. By doing so, Kansas has provided a model for other states in taking action to protect citizens from contamination of surface drinking water supplies by farm chemical, at the same time considering farmers' needs to use pesticides prudently to maintain their farming operations.

Five county conservation districts; the Kansas State Conservation Commission; the USDA Cooperative Extension Service; the county Health Departments; the Kansas Department of Health and Environment; the Kansas Rural Center; and, the USDA Soil Conservation Service cooperated in the study.

#### FLOOD PLAIN MANAGEMENT STUDIES

Williston Flood Plain Management Study, North Dakota. The purposes of this study are to define flood characteristics along an unnamed tributary of the Missouri River in the city of Williston and provide technical data necessary to implement an effective local floodplain management program.

The study defines the flood hazard of lands and developments along the unnamed tributary. It identifies flood problems and gives environmentally sound guidance for the development of flood damage reduction techniques, such as flood control structures, removal of obstructions, and floodproofing for use in an overall floodplain management study.

The study report contains aerial photomaps, water surface profiles, and typical valley and channel cross sections indicating their extent of flooding that can be expected along reaches of the tributary. The 10, 50, 100, and 500 year frequency flood discharges and elevations are included.

The city of Williston, Williams County Water Resource District, and the Williams County Soil Conservation District, the North Dakota State Water Commission, and the USDA Soil Conservation Service cooperated in the study.

Matteson Lake/Little Swan Creek Flood Plain Management Study, Branch County, Michigan. This study defines the flood characteristics of Matteson Lake/Little Swan Creek located in Matteson Township, Branch County, Michigan for the guidance of local officials in planning the use and regulation of the floodplain.

The sponsors have adopted resolutions indicating they intend to use the technical information from the floodplain management study as a basis for adopting zoning regulations, health and building codes, subdivision control regulations and such other regulations that may be needed to preserve the environmental quality of their natural resources, and to protect the health, safety, welfare and well-being of the citizens of their communities.

The Michigan Department of Natural Resources, Branch County Road Commission, Branch County Drain Commissioner, Matteson Township, Matteson Kale Association, Branch County Soil Conservation District, and the USDA Soil Conservation Service cooperated in this study.

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Watershed Planning

For necessary expenses for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1008), [\$10,921,000] \$7,400,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.



Watershed Planning

Appropriation Act, 1994.....	\$10,921,000
Budget Estimate, 1995.....	<u>7,400,000</u>
Decrease in Appropriation.....	<u>-\$3,521,000</u>

SUMMARY OF INCREASES AND DECREASES

(on basis of appropriation)

Item of Change	1994 Estimated	Pay Cost	Other Changes	1995 Estimated
Watershed Planning.....	\$10,921,000	--	-\$3,521,000	\$7,400,000

PROJECT STATEMENT

(On basis of appropriation)

	1993	:	1994 Estimated	:	Increase or	:	1995 Estimated
		:	Staff:	:	Staff:	:	Staff
Project	Amount	:	Years:	:	Amount	:	Years
Watershed Planning.	\$9,545,000	:	143	:	\$10,921,000	:	159
		:		:	-\$3,521,000	:	\$7,400,000
		:		:		:	107

PROJECT STATEMENT

(On basis of available funds)

	1993	:	1994 estimated	:	Increase or	:	1995 estimated
		:	Staff:	:	Staff:	:	Staff
Project	Amount	:	Years:	:	Amount	:	Years
Direct Obligations:	:	:	:	:	:	:	:
Watershed Planning:	:	:	:	:	:	:	:
1. Small watershed	:	:	:	:	:	:	:
planning autho-	:	:	:	:	:	:	:
rized by PL-566	\$9,518,011	:	143	:	\$10,921,000	:	159
Unobligated balance	:	:	:	:	-\$3,521,000	:	\$7,400,000
lapsing.....	(+26,989)	:	--	:	--	:	--
Total avail. or est	(9,545,000)	:	(143)	:	(10,921,000)	:	(159)
Reimbursable oblig.	141,950	:	2	:	200,000	:	2
Obligational auth..	\$9,659,961	:	145	:	\$11,121,000	:	161
		:		:	-\$3,521,000	:	\$7,600,000
		:		:		:	109

SOURCES OF REIMBURSEMENTS

	1993	:	1994	:	Increase or	:	1995
	Actual	:	Estimated	:	Decrease	:	Estimated
Within USDA.....	\$3,121:	:	\$5,000:	:	--	:	\$5,000
Other Federal Sources.....	--:	:	--:	:	--	:	--
Non-federal Sources.....	138,829:	:	195,000:	:	--	:	195,000
Total reimbursements.....	\$141,950:	:	\$200,000:	:	--	:	\$200,000

OUTLAYS

	1993	:	1994	:	Increase or	:	1995
	Actual	:	Estimated	:	Decrease	:	Estimated
Small watershed planning		:		:		:	
authorized by PL-566.....	\$9,727,917:	:	\$10,715,000:	:	-\$2,752,000:	:	\$7,963,000

### EXPLANATION OF PROGRAM

The appropriation "Watershed Planning," funds activities authorized by the Watershed Protection and Flood Prevention Act (Public Law 83-566), as amended, which relate to planning of individual watershed projects.

The Department makes surveys of proposed small watershed projects and prepares plans in cooperation with local sponsors. The planning activities consist of:

- Cooperation between the Federal Government and State governments and their political subdivisions in assisting local sponsoring organizations develop plans for proposed watershed projects,
- Conducting surveys and investigations to determine the land and water resource problems and opportunities within the watershed,
- Studying alternatives to provide the best combination of land treatment, nonstructural, and structural measures for the protection, conservation, development, management, and utilization of land, water, and related resources,
- Compiling information that is the basis for mutual agreement by the Department, local organizations, and the public concerning the possible alternative solutions which will best meet environmental, social, and economic goals,
- Making environmental assessments concurrently with other planning efforts for every proposed watershed project, and
- Preparing environmental impact statements when applicable and making them available to the public.

The watershed plans:

- Identify the soil and water management problems in the watershed.
- List the steps that have been or are authorized to be taken to alleviate these problems.
- Outline the proposed works of improvement to be installed.
- Itemize the estimated benefits and costs.
- Set out the cost-sharing and operation and maintenance arrangements.
- Present other facts necessary to justify Federal participation in project development.

The following table lists actual and projected progress for small watershed applications, planning, and operations.

<u>Activity</u>	<u>1993 Actual</u>	<u>1994 Estimate</u>	<u>1995 Estimate</u>
1. Application for planning assistance: On hand.....	280	285	290
2. Status of planning: Approved for planning during year....	33	37	0
Locally implemented.....	(7)	(7)	(0)
Federally implemented.....	(26)	(30)	(0)

Activity	1993 Actual	1994 Estimate	1995 Estimate
Planning completed during year.....	25	29	15
Locally implemented.....	(3)	(4)	(3)
Federally implemented.....	(22)	(25)	(12)
Planning in process.....	94	102	87
Locally implemented.....	(19)	(22)	(19)
Federally implemented.....	(75)	(80)	(68)
3. Status of projects in operations:			
Active projects.....	605	630	624
Approved for operations during year..	22	25	--

#### JUSTIFICATION OF INCREASES AND DECREASES

A decrease of \$3,521,000 is requested for Small Watershed Planning authorized by PL-566 consisting of:

(a) A decrease of \$318,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 3.5 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

(b) A decrease of \$57,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$57,000.

Nature of Change. In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$57,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded for the uncontrollable FY 1995 increased pay and inflationary costs.

(c) A decrease of \$3,146,000 for program funding.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets.

Nature of Change. In 1995 planning will continue at a reduced rate on the 102 projects underway at the beginning of the year. Priority would be given to completing plans where local sponsors are willing and able to pay



the costs of measure installation as no Federal funding would be available for project installation beginning in FY 1995. No new planning starts would be initiated. An estimated 15 watershed plans would be completed during the year, about half the 1994 level. There is a loss of 47 staff years associated with this reduction.

Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995  
WATERSHED PLANNING

	1993	1994	1995
	STAFF YEARS	STAFF YEARS	STAFF YEARS
AMOUNT	AMOUNT	AMOUNT	AMOUNT
ALABAMA.....	\$174,864	\$205,160	\$139,000
ALASKA.....	239,911	281,360	191,000
ARIZONA.....	130,001	93,790	64,000
ARKANSAS.....	189,999	222,750	151,000
CALIFORNIA.....	394,858	439,630	298,000
COLORADO.....	99,998	117,240	79,000
CONNECTICUT.....	61,101	75,970	51,000
DELAWARE.....	99,684	111,370	75,000
FLORIDA.....	109,999	117,240	79,000
GEORGIA.....	89,910	105,510	71,000
HAWAII.....	305,001	252,060	171,000
IDAHO.....	114,968	134,820	91,000
ILLINOIS.....	118,908	140,680	95,000
INDIANA.....	122,970	70,340	48,000
IOWA.....	246,396	275,500	187,000
KANSAS.....	201,987	222,750	151,000
KENTUCKY.....	104,982	117,240	79,000
LOUISIANA.....	123,573	146,540	99,000
MAINE.....	79,989	105,510	71,000
MARYLAND.....	93,000	70,340	48,000
MASSACHUSETTS..	16,599	35,170	24,000
MICHIGAN.....	95,001	117,240	79,000
MINNESOTA.....	170,001	199,300	135,000
MISSISSIPPI.....	99,920	117,240	79,000
MISSOURI.....	325,001	398,600	270,000
MONTANA.....	150,000	175,850	119,000
NEBRASKA.....	285,000	322,400	218,000
NEVADA.....	69,926	82,060	56,000
NEW HAMPSHIRE..	207,200	191,800	130,000
NEW JERSEY.....	94,057	87,930	60,000
NEW MEXICO.....	61,199	174,090	118,000
NEW YORK.....	149,721	175,850	119,000
NORTH CAROLINA..	180,001	211,020	143,000
NORTH DAKOTA...	125,003	146,540	99,000
OHIO.....	208,003	246,190	167,000
OKLAHOMA.....	391,297	457,220	310,000
OREGON.....	119,590	140,680	95,000
PACIFIC BASIN..	55,000	117,240	79,000
PENNSYLVANIA...	79,880	117,240	79,000
PUERTO RICO....	99,957	128,960	87,000
RHODE ISLAND....	25,000	29,310	20,000
SOUTH CAROLINA..	102,100	128,960	87,000
SOUTH DAKOTA....	99,783	128,960	87,000
TENNESSEE.....	109,998	128,960	87,000
TEXAS.....	293,003	328,260	222,000
UTAH.....	122,998	117,240	79,000
VERMONT.....	41,598	48,770	33,000
VIRGINIA.....	99,401	140,680	95,000
WASHINGTON.....	99,841	117,240	79,000
WEST VIRGINIA...	209,921	246,190	167,000
WISCONSIN.....	99,998	123,100	83,000
WYOMING.....	75,000	111,370	75,000
CHESTER NTC.....	214,943	239,160	162,000
FORT WORTH NTC..	300,630	352,880	247,000
LINCOLN NTC....	337,999	348,190	236,000
PORTLAND NTC....	329,262	419,120	284,000
NATIONL HDQTRS..	571,253	661,190	448,000
FOREST SERVICE..	300,827	303,000	205,000
Total Available or Estimate...	\$9,518,010	\$10,921,000	\$7,400,000
	143	159	107

## WATERSHED PLANNING

## STATUS OF PROGRAM

The Watershed Protection and Flood Prevention Act, Public Law 83-566, August 4, 1954, provides for cooperation between the Federal Government and the States and their political subdivisions in a program of watershed planning needed to conserve, distribute, develop, protect, restore, and use water. The Department continues to strengthen the mission of water management through integrated resource planning on a watershed basis incorporating ecosystem planning concepts for protecting all the resources in the watershed. The watershed planning work of the Department consists of assisting sponsoring local organizations to develop a plan on watersheds not exceeding 250,000 acres. The water quality, flooding, water and land management, and sedimentation problems in a watershed are described and works of improvement are proposed to alleviate these problems. The resulting watershed plans form the basis for installing needed works of improvement. Plans also include conservation land treatment needed to conserve and protect land, water, and related resources. Plans include estimated benefits and costs, cost-sharing, operation and maintenance arrangements, and other information necessary to justify Federal assistance for carrying out the plan.

PROGRAM ASSIGNMENTS

The Soil Conservation Service is responsible for administration of the Watershed Planning Program. During FY 1993, the Soil Conservation Service obligated \$9,217,184 of the funds for watershed planning.

The Forest Service is responsible for planning the forestry measures for national forest lands and for fire prevention forestry measures on non-Federal forest lands in the watersheds. During FY 1993, the Forest Service obligated \$300,826 of the funds for watershed planning.

In addition to those agencies receiving allocations, other Federal agencies are reimbursed for services as needed. The Economic Research Service assists with development of criteria to be used in economic analysis of watershed projects. The Department of the Interior's Bureau of Land Management and Bureau of Indian Affairs are provided funds when needed to plan watershed measures for Federal lands which they administer. The National Oceanic and Atmospheric Administration of the Department of Commerce and the U.S. Geological Survey of the Department of the Interior provide precipitation and runoff data.

DEVELOPING WATERSHED PLANS

Watershed planning is a coordinated investigation of the physical, environmental, social, and economic conditions specific to a watershed. The plan displays the benefits and opportunities for conservation, development, and management of land, water, and related resources. Planning includes an analysis of alternatives to solve watershed problems and to find the most cost effective, acceptable solution. Watershed planning requires the skills of soil conservationists, economists, hydrologists, geologists, foresters, and engineers. Support is provided by soil scientists, social scientists, biologists, plant technologists, and recreation, environmental and water quality specialists. Interested Federal, State, and local agencies and the general public are given an opportunity and are encouraged to participate in and contribute to the planning process. This assures that works of improvement included in plans are consistent with other programs and are compatible with local, regional and national goals. The watershed plan must be one which the local people are able, willing, and ready to install with assistance provided under the program, and one which they can and will effectively operate and maintain.

Environmental assessments are made by the Soil Conservation Service and others for each watershed being planned. These assessments are integrated into the planning process at the earliest possible stage. Environmental impact statements, when required, and findings of no significant impact are submitted for review and comment



to local, State, and Federal agencies and are available to the general public. This provides an opportunity to obtain formal comments from a wide range of interests during planning.

**Current Activities:** The Soil Conservation Service (SCS) establishes policy and general criteria to be used to develop watershed plans for directing the watershed purposes to reflect the Department of Agriculture's long-term conservation objectives and overall priorities as set forth in the National Conservation Program. Planning starts approved during FY 1993 were directed to the highest NCP priorities, i.e., erosion control, water quality, water conservation and flood prevention; and to projects that promote rural development; benefit low income and minority groups; and reduce Federal cost share assistance for installation.

During the year, 30 applications were received, and 37 applications were approved for planning from all applications on hand. As of September 30, 1993, there were 277 viable applications for watershed planning assistance on hand.

Watershed Planning Progress by State - September 30, 1993

State	Applications Received		Planning Authorized		Plans Completed	
	No.	Acres	No.	Acres	No.	Acres
Alabama	68	4,343,643	59	3,768,143	49	\$2,972,362
Alaska	2	248,000	2	248,000	0	0
Arizona	30	2,818,662	23	1,877,382	16	1,217,462
Arkansas	94	6,833,358	88	6,633,205	63	3,381,394
California	70	4,408,295	59	3,972,337	27	1,256,413
Colorado	43	2,772,471	39	2,486,621	22	1,380,246
Connecticut	18	372,573	18	372,573	13	222,556
Delaware	8	539,163	8	539,163	6	411,663
Florida	45	3,263,298	43	3,176,198	30	2,151,268
Georgia	88	6,134,171	87	6,090,571	72	4,453,063
Hawaii	16	779,242	14	719,442	11	629,792
Idaho	35	2,012,049	33	1,799,939	21	895,497
Iowa	72	2,012,080	63	1,463,120	53	1,251,860
Illinois	64	3,784,929	61	3,561,899	30	1,685,550
Indiana	69	5,242,351	67	5,002,851	41	2,483,182
Kansas	102	11,353,994	78	7,956,686	61	5,774,346
Kentucky	60	3,554,112	55	3,155,268	42	2,572,913
Louisiana	76	8,918,418	62	7,412,868	48	5,920,975
Maine	31	2,060,337	28	1,704,737	20	1,095,054
Maryland	39	1,394,204	35	1,134,108	21	521,323
Massachusetts	17	561,274	17	561,274	12	460,232
Michigan	36	1,978,932	36	1,978,932	27	1,399,926
Minnesota	39	3,032,356	35	2,782,863	19	1,697,719
Mississippi	93	6,740,217	75	5,716,683	59	4,589,493
Missouri	67	5,808,993	47	3,523,207	31	2,165,491
Montana	33	2,166,271	32	2,154,271	21	1,398,621
Nebraska	95	8,196,027	66	4,544,160	53	3,622,959
Nevada	17	1,814,646	17	1,814,646	6	402,962
New Hampshire	14	1,055,082	12	1,021,382	7	456,770
New Jersey	23	748,642	21	669,642	15	389,347
New Mexico	45	3,532,868	44	3,366,068	30	1,767,277
New York	32	1,471,568	31	1,469,168	23	965,538
North Carolina	93	5,260,811	80	4,448,638	59	2,744,684
North Dakota	38	4,902,646	33	4,328,196	19	2,378,471
Ohio	49	5,319,763	34	3,303,287	26	2,449,256
Oklahoma	104	10,161,970	84	8,500,987	76	7,350,057
Oregon	36	2,776,775	34	2,467,935	24	1,210,896
Pacific Basin	6	7,075	6	7,075	1	150
Pennsylvania	50	2,198,946	41	1,851,328	31	1,499,287
Puerto Rico	8	472,000	7	397,000	4	266,002
Rhode Island	3	128,340	3	128,340	1	24,100
South Carolina	76	5,269,100	69	4,459,450	57	3,643,298

State	Applications Received		Planning Authorized		Plans Completed	
	No.	Acres	No.	Acres	No.	Acres
South Dakota	25	2,137,612	24	2,114,879	15	758,801
Tennessee	86	4,201,147	65	3,444,727	46	2,261,732
Texas	117	12,227,475	115	11,805,745	98	10,199,744
Utah	27	2,947,530	26	2,700,530	14	1,334,287
Vermont	17	1,716,647	17	1,716,647	13	1,230,927
Virginia	50	2,727,799	48	2,653,831	41	2,291,839
Washington	35	1,648,377	33	1,568,067	20	652,296
West Virginia	47	1,884,552	43	1,695,185	32	1,250,636
Wisconsin	42	2,336,786	41	2,254,226	28	1,468,999
Wyoming	28	2,049,872	26	2,027,400	13	615,236
Total	2,478	180,327,449	2,184	154,550,880	1,567	103,223,952

#### SHARING WATERSHED PLANNING COSTS

Watershed planning staffs are available either in-State or through sharing with other States to assist local organizations in all States. A number of States that are undertaking River Basin Surveys under authority of Section 6 of Public Law 83566 have integrated their regular watershed planning staff with the river basin survey staff. This permits efficient use of technical personnel to accomplish both activities and share with other programs (for example, hydrologic unit planning for water quality).

Watershed Planning funds averaged approximately \$177,254 per State in 1993 ranging from \$16,600 to \$394,857. The size of the planning staffs varies according to the workload in each State. There were 30 watershed planning staffs nationwide. Staffs have been combined where individual States do not have sufficient planning workload to justify a complete staff. In most of those states without a planning staff, a water resource coordinator coordinates planning activities with combined staffs and other individual specialists.

In FY 1993 State legislatures and other local organized units in States and Puerto Rico appropriated or otherwise provided about \$28,062,678 to finance watershed planning activities. This local input was through advances, reimbursements, State controlled watershed planning staffs, or personnel provided by the States to work with Soil Conservation Service watershed planning staffs.

Planning funds obligated and staff-years used in 1993 by State were:

State	Direct Obligations	Staff Years	State	Direct Obligations	Staff Years
Alabama	174,863	3	Maryland	93,000	1
Alaska	239,910	3	Massachusetts	16,600	0
Arizona	130,000	2	Michigan	94,998	2
Arkansas	189,996	3	Minnesota	170,000	3
California	394,857	7	Mississippi	99,922	2
Colorado	99,999	2	Missouri	325,000	5
Connecticut	61,100	1	Montana	150,000	3
Delaware	99,682	2	Nebraska	284,999	5
Dist of Co.			Nevada	69,926	1
(Nat. Hdq.)	571,088	7	New Hampshire	207,199	3
Florida	109,999	1	New Jersey	94,057	1
Georgia	89,908	2	New Mexico	61,200	0
Hawaii	305,000	7	New York	149,722	3
Idaho	114,968	2	North Carolina	180,000	2
Illinois	118,905	0	North Dakota	125,000	2
Indiana	122,970	2	Ohio	208,000	3
Iowa	246,397	5	Oklahoma	391,300	8
Kansas	201,991	3	Oregon	119,590	2
Kentucky	104,981	2	Pacific Basin	55,000	1
Louisiana	123,576	2	Pennsylvania	79,879	1
Maine	79,992	1	Puerto Rico	99,955	1

State	Direct Obligations	Staff Years	State	Direct Obligations	Staff Years
Rhode Island	25,000	0	Washington	99,841	2
South Carolina	102,100	2	West Virginia	209,921	1
South Dakota	99,965	1	Wisconsin	99,998	2
Tennessee	109,996	2	Wyoming	75,000	1
Texas	293,000	4	Natl Tech Ctr.	1,182,838	18
Utah	123,000	1	SCS Wtrshd Plng.	9,217,183	142
Vermont	41,596	1	Alloc. Acct.	300,826	1
Virginia	99,399	1	Total Watershed Planning, SCS	9,518,009	143

#### SELECTED EXAMPLES OF WATERSHEDS AUTHORIZED FOR PLANNING IN FISCAL YEAR 1993

Watershed projects are actively being planned in all regions of the nation and in the Caribbean and Pacific areas. These projects are being formulated to address the broad range of eligible project purposes. Projects are currently being planned for floodwater damage reduction, water quality improvement, protection and improvement of critical fish and wildlife habitat, water conservation, watershed protection, and for the development of agricultural and rural water supplies. Planning was started on a total of 37 watershed projects in fiscal year 1993. The following briefly describes two projects that are currently being planned. These projects illustrate the type and scope of projects currently being developed as Public Law 83-566 Projects.

Delta Clearwater River Watershed - Alaska. This 230,000 acre watershed is located approximately 15 miles southeast of the community of Delta Junction, Alaska. The purposes of this project are floodwater damage reduction and wildlife enhancement. The Clearwater River is a spring fed river that does not normally receive direct runoff and as a result does not flush sediments that are deposited in the river. At the present time the river provides the best spawning habitat on the Yukon River System for the Coho Salmon. It is also one of the most popular Arctic Grayling fisheries in Alaska. Sediment laden flood waters are seriously threatening the rivers spawning habitat and recreational values. In addition, the watershed contains about 58,000 acres of Delta Bison Range. This bison range houses one of the largest free roaming bison herds in the world and there is an opportunity to improve the habitat within this range.

The measures being considered for installation as a part of the watershed plan are water spreading structures, dikes, stream bank shaping and bio-engineering. Two wildlife watering facilities and other improvements are also being planned for the bison range to improve the habitat. The plan is expected to be completed in September 1994.

Swan Creek Watershed - Michigan. This 70,500 acre watershed is being planned to improve water quality in Swan Creek and in Matteson, Long, and Palmer Lakes. Issues being addressed in the plan include: (1) degraded drinking water supply, (2) decreased sport fishery, (3) accelerated lake eutrophication, leading to decreased recreation days for fishing, swimming and boating, and (4) increased channel clean out cost.

The plan will address the nonpoint sources of pollution. Actions most likely to be included in the plan include conservation tillage, cover and green manure crops, pasture and hay land planting, windbreaks, critical area planting, waterways, stream channel stabilization, tree planting, water and sediment control basins, filter strips grade stabilization structures, diversions, and animal waste systems. The total construction cost of these items is expected to be almost \$1,000,000 with the local cost amounting to almost \$750,000 and the PL-83-566 cost share amounting to only about \$250,000.



## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Watershed and Flood Prevention Operations

- For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001-1005, 1007-1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and in accordance with the provisions of laws relating to the activities of the Department, [\$241,965,000]
- 1 \$25,000,000 [(of which \$40,786,000 shall be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented)]: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section
  - 2 706(a) of the Organic Act of 1944 (7 U.S.C. 2225)[, and not to exceed \$28,631,000 shall be available for emergency measures as provided by sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205)], and not to exceed \$200,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That \$4,000,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): Provided further, That not to exceed \$1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93-205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

The first change deletes language providing funding for watersheds authorized under the Flood Control Act of 1944, P.L. 75-534, as no funding is proposed for this program in the FY 1995 budget.

The second change deletes language providing funding for the emergency watershed protection program as no funding is proposed for this program in the FY 1995 budget.

Watershed and Flood Prevention Operations

	Watersheds Authorized by PL-534	Emergency Watershed Operations	Small Watersheds Authorized by PL-566	Total Watershed and Flood Prevention
Appropriation Act, 1994.....	\$40,786,000	\$53,631,000	\$172,548,000	\$266,965,000
Budget Estimate, 1995.....	--	--	25,000,000	25,000,000
Decrease in Appropriation.....	-\$40,786,000	-\$53,631,000	-\$147,548,000	-\$241,965,000

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

Item of Change	1994 Estimated	Pav Cost	Other Changes	1995 Estimated
Watershed and Flood Prev. Oper:				
1. Watershed oper. auth by PL-534..	\$40,786,000	--	-\$40,786,000	--
2. Emergency watershed prot. oper..	53,631,000	--	-53,631,000	--
3. Small watersheds auth. by PL-566	172,548,000	--	-147,548,000	\$25,000,000
TOTAL AVAILABLE.....	\$266,965,000	--	-\$241,965,000	\$25,000,000

PROJECT STATEMENT  
(On basis of appropriation)

Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff Years
1. Watershed operations authorized by PL-534:							
(a) Planning.....	\$1,117,000:	18:	\$1,208,000:	18:	-\$1,208,000	--:	--
(b) Technical assistance.....	15,321,000:	260:	16,577,000:	247:	-16,577,000	--:	--
(c) Financial assistance for construction:							
Direct Federal contracting.....	19,780,000:	--:	19,086,000:	--:	-19,086,000	--:	--
Payment for con- tracting by							
local sponsors..	3,974,000:	--:	3,835,000:	--:	-3,835,000	--:	--
(d) Loan serv. (RDA)	80,000:	2:	80,000:	2:	-80,000	--:	--
Subtotal, flood prevention.....	40,272,000:	280:	40,786,000:	267:	-40,786,000(1)	--:	--
2. Emergency Watershed Protection Operation	73,144,000:	270:	53,631,000:	250:	-53,631,000(2)	--:	--
3. Small watersheds authorized by PL-566:							
(a) Technical assistance.....	63,662,500:	1,047:	65,447,000:	990:	-40,447,000	\$25,000,000:	371
(b) Financial assistance for construction:							
Direct Federal contracting....	56,750,000:	--:	59,877,000:	--:	-59,877,000	--:	--
Payment for con- tracting by							
local sponsors..	44,593,000:	--:	47,051,000:	--:	-47,051,000	--:	--
(c) Loan services..	172,500:	5:	173,000:	5:	-173,000	--:	--
Subtotal, watershed operations.....	165,178,000:	1,052:	172,548,000:	995:	-147,548,000(3)	25,000,000:	371
Total Appropriation..	\$278,594,000:	1,602:	\$266,965,000:	1,512:	-\$241,965,000	\$25,000,000:	371

NOTE: A supplemental request of \$340,500,000 is proposed for FY 1994 for additional emergency watershed protection assistance in the Midwest flood and California fire areas. The 1994 Emergency Watershed Protection program includes \$25,000,000 made available in 1994 from 1993 supplemental funding.

**PROJECT STATEMENT**  
(On basis of available funds)

Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	:Staff: :Years:	Amount	:Staff: :Years:		Amount	:Staff: :Years:
1. Watershed operations authorized by PL-534:							
(a) Planning.....	\$1,188,364:	18:	\$1,168,000:	18:	-\$1,168,000:	--:	--
(b) Technical assistance.....	16,907,334:	260:	16,617,000:	247:	-16,617,000:	--:	--
(c) Financial assistance for construction:							
Direct Federal contracting....	18,270,245:	--:	23,820,444:	--:	-23,820,444:	--:	--
Payment for contracting by local sponsors	5,810,105:	--:	7,574,000:	--:	-7,574,000:	--:	--
(d) Loan services..	80,000:	2:	80,000:	2:	80,000:	--:	--
Subtotal, flood prevention.....	42,256,048:	280:	49,259,444:	267:	-49,259,444:	--:	--
2. Emergency Watershed Protection Oper....	80,006,995:	270:	103,857,622:	250:	-103,857,622:	--:	--
3. Small watersheds authorized by PL-566:							
(a) Technical assistance....	67,858,837:	1,047:	66,079,000:	990:	-41,079,000:	\$25,000,000:	371
(b) Financial assistance for construction:							
Direct Federal contracting....	60,676,576:	--:	86,943,080:	--:	-86,943,080:	--:	--
Payment for con- tracting by local sponsors	30,125,261:	--:	43,167,000:	--:	-43,167,000:	--:	--
(c) Loan services..	172,500:	5:	172,500:	5:	-172,500:	--:	--
Subtotal, watershed operations.....	158,833,174:	1,052:	196,361,580:	995:	-171,361,000:	25,000,000:	371
Total direct obligations.....	281,096,217:	1,602:	349,478,646:	1,512:	-324,478,646:	25,000,000:	371
Unobligated balance brought forward....	(-85,746,758)	--:	(-82,513,646)	--:	+82,513,646:	--:	--
Unobligated balance carried forward....	(+82,513,646)	--:	--:	--:	--:	--:	--
Unobligated balance lapsing.....	(+730,895)	--:	--:	--:	--:	--:	--
Appropriation.....	(\$278,594,000)	1,602	(\$266,965,000)	1,512	(\$-241,965,000)	(\$25,000,000)	371

**REIMBURSABLE OBLIGATIONS**

Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	:Staff: :Years:	Amount	:Staff: :Years:		Amount	:Staff: :Years:
Reimbursable obligations:							
1. Watershed operations authorized by PL-534:							
(a) Planning.....	--:	--:	--:	--:	--:	--:	--
(b) Technical assistance.....	\$172,370:	3:	\$750,000:	25:	\$750,000:	--:	--



Project	1993		1994 estimated		Increase or Decrease	1995 estimated	
	Amount	Staff: Years	Amount	Staff: Years		Amount	Staff: Years
(c) Financial assistance for construction: Direct Federal contracting.....	1,944,336	--	750,000	--	-750,000	--	--
Subtotal, flood prevention.....	2,116,706	3	1,500,000	25	-1,500,000	--	--
2. Emergency Watershed Protection Operation.	2,061,427	0	3,000,000	0	-3,000,000	--	--
3. Small watersheds authorized by PL-566:							
(a) Technical assistance.....	1,453,360	22	150,000	5	150,000	--	--
(b) Financial assistance for construction: Direct Federal contracting.....	12,160,968	--	5,350,000	--	-5,350,000	--	--
Subtotal, watershed operations.....	13,614,328	22	5,500,000	5	-5,500,000	--	--
Total, reimbursable obligations.....	17,792,461	25	10,000,000	30	-10,000,000	--	--
Obligational authority.....	\$298,888,678	1,627	\$359,478,646	1,542	-\$334,478,646	\$25,000,000	371

#### SOURCES OF REIMBURSEMENTS

	1993 Actual	1994 estimated	Increase or Decrease	1995 estimated
Within USDA.....	\$28,317	\$43,000	-\$43,000	--
Other Federal Agencies.....	2,362,098	2,257,000	-2,257,000	--
Non-Federal Sources.....	15,402,046	7,700,000	-7,700,000	--
Total reimbursements.....	\$17,792,461	\$10,000,000	-\$10,000,000	--

#### OUTLAYS

	1993 Actual	1994 estimated	Increase or Decrease	1995 estimated
1. Watershed operations authorized by PL-534.....	\$28,795,031	\$43,525,000	-\$19,764,000	\$23,761,000
2. Emergency Watershed Protection Operations.....	64,429,069	177,204,000	-125,052,000	52,152,000
3. Small watersheds authorized by PL-566.....	142,838,151	80,522,000	-51,830,000	28,692,000
Total Outlays.....	\$236,062,251	\$301,251,000	-\$196,646,000	\$104,605,000

#### EXPLANATION OF PROGRAM

The appropriation "Watershed and Flood Prevention Operations" funds those activities authorized by the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1001-1005, 1007-1009) and the Flood Control Act, as amended and supplemented (33 U.S.C. 701, 16 U.S.C. 1006a) and Sections 403-405 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203-2205), which relate to installation of individual watershed projects, flood prevention subwatershed projects, and emergency watershed protection. Activities include:

Watershed Operations Authorized by PL-534

The planning criteria, economic justifications, local sponsorship requirements, costsharing criteria, and other policies and procedures used in the Flood Prevention Program have been adjusted to generally parallel those of the Watershed Protection Program. The Department helps install watershed improvement measures to reduce flood, sediment, and erosion damages; further the conservation, development, utilization, and disposal of water; further the conservation and proper utilization of land; and to accomplish other measures incorporated in subwatershed work plans.

The following table shows the status of subwatershed work plans:

<u>Subwatersheds Status</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Projects receiving land treatment.....	52	52	--
Structural projects.....	67	67	--
Subtotal active subwatersheds.....	119	119	--
Projects continuing post-install assistance....	190	190	--
Inactive projects.....	9	9	318
Total operational subwatersheds.....	318	318	318
Unserviced applications.....	86	86	86
Planning in process.....	24	24	24
Total subwatersheds.....	428	428	428

Emergency Watershed Protection Operations

Funding authority for FY 1993 is requested under Sections 403-05 of the Agricultural Credit Act of 1978. Funding is for such emergencies for runoff retardation and soil erosion prevention as may be needed to safeguard life and property from floods and the products of erosion on any watershed whenever flood, fire, drought, or any other natural element causes a sudden impairment of the watershed. The Department administers the program by providing technical assistance and arranging with local contractors to install most of the required measures.

Small Watershed Operations Authorized by PL-566

The Department provides technical and financial assistance to local organizations to install the watershed works of improvement for watershed protection, flood prevention, agricultural water management, recreation, and fish and wildlife development, and other authorized features specified in the work plans.

The following table shows the status of PL-566 watershed projects:

<u>Status of Operational Projects</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
Projects receiving land treatment.....	186	201	--
Structural projects.....	368	363	--
Land treatment and structural.....	51	64	--
Subtotal active projects.....	605	628	--
Projects continuing post-install assistance....	787	787	--
Inactive projects.....	22	23	1,438
Deauthorized projects.....	142	143	143
Total operational projects.....	1,556	1,581	1,581
New projects approved during year.....	22	25	--

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$40,786,000 is requested for the Flood Prevention Operations Program authorized by PL-534 consisting of:

- (a) A decrease of \$705,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment,

SCS is reducing employment in this program from the FY 1993 base by 4.4 percent.

**Nature of Change.** The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (b) A decrease of \$40,081,000 for program funding.

**Need for Change.** This decrease is part of a reduction to meet overall USDA budget and spending targets.

**Nature of Change.** This program would be phased out beginning in the last quarter of fiscal year 1994. Unobligated balances available within the Watershed and Flood Prevention Operations account at the end of FY 1994 would be used to carry out an orderly phase out of ongoing work. No new appropriated funds for 1995 are requested and new contracting would be limited after July 1, 1994.

- (2) A decrease of \$53,631,000 is requested for the Emergency Watershed Operations Program consisting of:

- (a) A decrease of \$64,000 for a reduction in Federal employment costs.

**Need for Change.** In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 0.4 percent.

**Nature of Change.** The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (b) A decrease of \$53,567,000 for program funding.

**Need for Change.** This decrease is part of a reduction to meet overall USDA budget and spending targets.

**Nature of Change.** The 1994 supplemental should adequately address any unforeseen emergencies in 1995.



- (3) A decrease of \$147,548,000 is requested for the Watershed Operations Program authorized by PL-566 consisting of:

- (a) A decrease of \$1,987,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 3.0 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (b) A decrease of \$145,561,000 for program funding.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets.

Nature of Change. This program will be phased out beginning in the last quarter of fiscal year 1994. The \$25,000,000 requested for FY 1995 along with any unobligated balances remaining available within the Watershed and Flood Prevention Operations account at the end of FY 1994 would be used to carry out an orderly phase out of ongoing work. New contracting would be limited after July 1, 1994. Technical assistance would be provided to those project sponsors who can obtain loans or non-federal funding for continued installation of remaining small watershed projects.

Distribution of Funds by Agency for Operating Flood Prevention Projects

	1993	: Brought : Forward :	1994 Appro- priation :	Estimated : Obligations :	Budget Estimate
	Obligations:	from 1993 :	(adjusted):	1994 :	1995
<b>SOIL CONSERVATION SERVICE</b>					
Buffalo Creek, NY.....	65,547:	--:	377,723:	377,723:	--
Colorado (Middle), Texas..	2,650,287:	--:	1,199,120:	1,199,120:	--
Coosa, Georgia,	:	:	:	:	:
Tennessee .....	--:	--:	--:	--:	--
Little Sioux, Iowa.....	3,187,798:	--:	3,292,783:	3,292,783:	--
Little Tallahatchie, MS...	2,650,287:	--:	1,924,587:	1,924,587:	--
Los Angeles, California...	--:	--:	179,868:	179,868:	--
Potomac, MD, PA, VA, W. VA	10,255,493:	5,509,444:	8,681,627:	14,191,071:	--
Santa Ynez, California....	155,482:	--:	119,912:	119,912:	--
Trinity, Texas.....	10,650,395:	--:	4,286,853:	4,286,853:	--
Washita, Oklahoma, Texas..	3,025,551:	--:	4,083,003:	4,083,003:	--
Yazoo, Mississippi.....	7,583,153:	2,964,000:	14,540,524:	17,504,526:	--
Subtotal, SCS.....	40,223,993:	8,473,444:	38,686,000:	47,159,444:	--
	:	:	:	:	:
<b>FOREST SERVICE a/</b>					
Little Sioux, Iowa.....	--:	--:	--:	--:	--
Little Tallahatchie, MS...	--:	--:	--:	--:	--
Los Angeles, California...	1,154,404:	--:	1,180,000:	1,180,000:	--

	1993	: Brought Forward : Obligations from 1993 :	1994 Appropiation : (adjusted) :	Estimated Obligations : 1994 :	Budget Estimate : 1995 :
Potomac, MD, PA, VA, W. VA	172,020:	--:	84,000:	84,000:	--
Santa Ynez, California....	507,523:	--:	646,000:	646,000:	--
Trinity, Texas.....	78,365:	--:	68,000:	68,000:	--
Washita, Oklahoma, Texas..	39,744:	--:	42,000:	42,000:	--
Yazoo, Mississippi.....	--:	--:	--:	--:	--
Subtotal, Forest Service	1,952,056:	--:	2,020,000:	2,020,000:	--
	:	:	:	:	--
<u>FARMERS HOME ADMINISTRATION</u>	:	:	:	:	--
Loan Services.....	80,000:	--:	80,000:	80,000:	--
Total, P.L.-534 operations..	\$42,256,049:	\$8,473,444:	\$40,786,000:	\$49,259,444:	--

#### PL-566 Project Activity and Obligations

The following table shows the status of Public Law 566 projects by stage of assistance and amounts obligated or estimated to be obligated.

	1993		1994		1995	
	NO.	Dollars in Thousands	NO.	Dollars in Thousands	NO.	Dollars in Thousands
1. Projects approved for operation and estimated cost of completion:						
a. Uncompleted projects at start of year....	745	\$1,306,559	769	\$1,191,593	794	\$1,045,232
b. Projects approved during year.....	22	43,867	25	50,000	--	--
Total.....	767	1,350,426	794	1,241,593	794	1,045,232
2. Status of projects and amounts obligated:						
a. Projects inactive end of year.....	22	--	23	--	23	--
b. Deauthorized, cumulative.....	142	--	143	--	143	--
c. Watershed protection projects services ..	186	25,000	201	25,000	201	25,000
d. Projects continuing construction and land treatment.....	419	131,433	427	169,361	427	--
e. Projects with construction completed continuing post installation assistance.....	787	2,400	787	2,000	787	--
Subtotal.....	1,556	158,833	1,581	196,361	1,581	25,000
3. Uncompleted projects (cumulative) at end of year:						
a. Obligations to date.	769	2,706,765	794	2,901,126	794	2,926,126
b. Estimated cost of completion.....	--	1,191,593	--	1,045,232	--	1,020,232
4. Projects completed construction (cumulative and total cost).....	787	1,026,814	787	1,028,814	787	1,028,814
5. Total projects approved (cumulative and total cost).....	1,556	4,925,172	1,581	4,975,172	1,581	4,975,172
Total (cumulative obligations).....	1,556	\$3,733,579	1,581	\$3,929,940	1,581	\$3,954,940

Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995  
 WATERSHED AND FLOOD PREVENTION OPERATIONS

	1993		1994		1995	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$2,746,696	16	\$2,732,850	16	\$224,000	4
ALASKA.....	2,750,379	3	71,180	1	17,000	0
ARIZONA.....	7,545,743	38	5,338,850	21	337,000	5
ARKANSAS.....	4,373,756	28	5,437,240	27	403,000	7
CALIFORNIA.....	8,102,356	37	13,732,450	47	874,000	12
COLORADO.....	3,000,101	11	4,786,670	12	177,000	3
CONNECTICUT....	1,250,593	10	770,740	8	128,000	2
DELAWARE.....	660,013	7	874,390	7	108,000	2
FLORIDA.....	18,308,688	58	1,287,620	8	132,000	2
GEORGIA.....	3,538,710	17	4,305,190	12	225,000	3
HAWAII.....	5,598,179	12	2,402,380	9	222,000	2
IDAHO.....	1,452,231	13	718,180	10	149,000	2
ILLINOIS.....	5,159,600	20	21,128,300	61	1,074,000	16
INDIANA.....	594,922	11	2,217,300	11	155,000	3
IOWA.....	10,804,103	58	29,832,340	117	1,686,000	30
KANSAS.....	6,635,223	40	18,705,660	74	1,017,000	19
KENTUCKY.....	3,331,491	27	2,485,620	11	182,000	3
LOUISIANA.....	13,414,306	69	5,711,650	22	289,000	5
MAINE.....	769,028	11	1,013,070	9	143,000	2
MARYLAND.....	704,271	3	510,230	3	82,000	1
MASSACHUSETTS..	974,799	9	1,043,320	8	142,000	2
MICHIGAN.....	1,338,974	13	1,751,830	11	168,000	3
MINNESOTA.....	2,133,877	21	5,348,700	23	361,000	6
MISSISSIPPI.....	22,689,434	188	41,108,790	179	2,341,000	46
MISSOURI.....	9,016,807	43	25,797,390	70	1,292,000	18
MONTANA.....	1,160,132	13	1,132,550	11	177,000	3
NEBRASKA.....	2,909,985	19	3,804,690	20	301,000	5
NEVADA.....	229,693	3	79,320	1	19,000	0
NEW HAMPSHIRE..	389,997	6	277,920	5	67,000	1
NEW JERSEY.....	876,659	13	1,116,670	10	164,000	2
NEW MEXICO.....	13,370,814	24	3,711,600	21	345,000	5
NEW YORK.....	1,612,005	13	5,779,640	11	183,000	3
NORTH CAROLINA..	5,304,837	29	3,754,820	21	316,000	5
NORTH DAKOTA...	630,364	7	1,886,130	13	212,000	3
OHIO.....	3,784,181	19	4,573,400	18	304,000	4
OKLAHOMA.....	9,926,490	86	11,181,850	78	1,110,000	20
OREGON.....	1,472,919	11	1,668,950	11	169,000	3
PACIFIC BASIN..	589,007	4	729,100	5	72,000	1
PENNSYLVANIA...	1,263,504	23	7,012,100	21	327,000	5
PUERTO RICO....	4,812,991	21	1,308,730	10	195,000	2
RHODE ISLAND...	105,002	2	103,720	2	25,000	0
SOUTH CAROLINA..	1,772,989	19	2,407,070	13	153,000	3
SOUTH DAKOTA...	174,306	3	1,828,810	11	164,000	3
TENNESSEE.....	3,437,558	26	5,124,236	31	536,000	8
TEXAS.....	30,217,134	121	13,152,840	97	1,509,000	25
UTAH.....	889,492	13	1,785,130	10	156,000	3
VERMONT.....	1,090,816	10	1,160,230	8	144,000	2
VIRGINIA.....	3,769,768	30	7,439,700	23	436,000	6
WASHINGTON.....	1,322,093	19	3,650,590	16	286,000	4
WEST VIRGINIA...	25,128,193	71	39,678,445	50	1,107,000	13
WISCONSIN.....	4,202,216	13	5,150,120	14	220,000	4
WYOMING.....	739,473	5	324,770	4	58,000	1
CHESTER NTC....	1,628,786	21	1,512,120	17	366,000	4
FORT WORTH NTC..	2,509,307	36	2,254,460	29	546,000	7
LINCOLN NTC....	1,727,002	27	1,827,880	26	443,000	6
PORTLAND NTC...	1,252,335	17	1,139,940	14	276,000	4
NATIONL HDQTRS..	10,863,767	75	11,092,675	71	2,686,000	18
FmHA.....	252,500	7	252,500	7	0	0
FOREST SERVICE..	4,785,623	33	2,464,000	36	0	0
Total Available or Estimate...	\$281,096,218	1,602	\$349,478,646	1,512	\$25,000,000	371



## WATERSHED AND FLOOD PREVENTION OPERATIONS

## STATUS OF PROGRAMS

Watershed operations authorized by Public Law 534. The Flood Control Act of 1944 authorizes the Secretary of Agriculture to install watershed improvement measures to reduce flood, sedimentation, and erosion damages; further the conservation, development, utilization, and disposal of water; and the conservation and proper utilization of land. Flood prevention work is authorized in the eleven watersheds designated in the Flood Control Act of December 22, 1944.

Emergency Watershed Protection. Emergency watershed protection assistance is provided to reduce hazards to life and property in watersheds damaged by severe natural events. An emergency is considered to exist when a watershed is suddenly impaired by flood, fire, drought or other natural causes which results in life and property being endangered by flooding, erosion, or sediment discharge.

The emergency area need not be declared a national disaster area to be eligible for technical and financial assistance. Emergency watershed protection is applicable to small scale localized disasters as well as disasters of national magnitude.

Funding is authorized under Sections 403-405 of the Agricultural Credit Act of 1978.

Watershed Projects authorized by Public Law 566. The Watershed Protection and Flood Prevention Act of 1954, provides for cooperation between the Federal government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damages; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

The flood prevention (PL-534) and the watershed (PL-566) programs have similar objectives. The planning criteria, economic justifications, local sponsorship requirements, cost-sharing criteria, structural limitations, and other policies and procedures used in flood prevention projects generally parallel those used in watershed protection projects.

Current activities:

1. Technical and financial assistance for construction includes:

- a. Land treatment measures: Assurance that a program of proper land use and treatment will be carried out is a basic requirement for assistance in the development of flood prevention subwatersheds or watershed projects. The Department provides landowners and operators technical assistance to accelerate the planning and application of land treatment measures which help achieve project objectives. This accelerated assistance is in addition to that received under other conservation programs.

When land treatment measures are installed to achieve justified offsite flood prevention benefits or when such measures provide small or long-deferred benefits to the landowner, the installation cost may be shared with Federal funds. The cost-share rate of this financial assistance may not exceed the rate of assistance for similar practices under other conservation programs of the Department. This work is accomplished through project agreements with local sponsoring organizations. The local sponsors arrange for and accomplish the work by contract or force account. Payments are made by the Federal government to the local sponsoring organizations as the land treatment measures are installed.

- b. Structural measures: Floodwater retarding structures, stream channel work, grade stabilization and sediment control structures, water storage structures, and other structures are integral parts of providing watershed protection. Detailed construction plans, designs and

specifications are prepared for these measures by the Department or by private engineers employed by the local sponsoring organization or the Department.

The Federal government provides all construction funds for structural measures for flood prevention and an equitable share of the cost of installing works of improvement for agricultural water management, fish and wildlife, or recreational development. The latter includes the cost of basic facilities for public health and safety, access to recreational areas, and use of the recreational development. Local organizations must pay all costs of works of improvement for other purposes. In addition, local organizations must acquire water rights and furnish land, easements, and rights-of-way for all structural measures. However, up to one-half the cost of land, easements, and rights-of-way allocated to public fish and wildlife and recreational developments may be paid with PL-534 or PL566 funds.

- c. Non-structural measures: Where practical, non-structural measures or a combination of structural and non-structural measures may be installed as part of the watershed works of improvement. Non-structural measures can consist of flood proofing buildings located in a floodplain, zoning or otherwise controlling certain floodplain areas to restrict further development, removal of buildings from the flood area, and other similar measures.

Financial assistance to local sponsoring organizations for installation of non-structural measures is provided in the same manner as for installation of structural measures. The local share for installation of nonstructural measures must be at least 25 percent.

- d. Installation of measures: In PL-534 subwatersheds, the Department usually does the contracting. In PL-566 watersheds, local organizations must administer construction contracts, unless they request SCS to do so. In PL-566 watersheds, funds for installation of planned structural measures on non-Federal lands are provided to local organizations under the terms and conditions set forth in project agreements. Federal agencies carry out the watershed construction program on Federal lands which they administer.

Engineering assistance is provided for flood prevention, agricultural water management, and for water resource development or improvement for public fish and wildlife and recreational purposes, either directly by the Federal government or by the local organizations with advances or reimbursement from the Federal government. The Department may also supply up to one-half the cost of engineering assistance required for the installation of basic facilities for public fish and wildlife and recreational development.

Advances may be made to local sponsoring organizations to provide for immediate acquisition of easements and rights-of-way. Also, advances may be made to provide up to 30 percent of the total estimated cost of a proposed impounding structure when such structures are to be used for additional storage of water to meet anticipated future demands for municipal and industrial uses. In each case, advances must be repaid with interest. Advances for preservation of structure sites must be repaid before construction begins.

Local organizations must operate and maintain the completed works of improvement on non-Federal lands.

- 2. Detailed subwatershed work plans are prepared for PL-534 flood prevention projects in cooperation with soil conservation districts and other local sponsoring organizations. These plans outline soil and water management

problems in subwatersheds, what is proposed to be done to alleviate these problems, the estimated benefits and costs, cost-sharing, and operation and maintenance arrangements.

3. Program evaluation studies are carried out in selected watershed projects to assess effectiveness of structural and land treatment measures installed and assure safe and reasonable design.
4. Loans and loan services are provided to finance the local share of the costs of installing planned works of improvement. Repayment with interest is required within 50 years after the principal benefits of improvements first become available. Loans are financed from the Agricultural Credit Insurance Fund of the Rural Development Administration.
5. Emergency measures: This authority permits installation of emergency measures for immediate protection of life or property from flooding, erosion, or sedimentation damage until long-range practices can become effective. Emergency work includes but is not limited to establishing quick vegetative cover on denuded land, the sloping of steep and eroding banks, opening dangerously restricted channels, repairing diversions and levees, and other emergency work. This work is done to the extent funds are available. Prompt action to alleviate hazardous watershed conditions is essential. Flooding or wind erosion can cause extensive damage to impaired watersheds left unprotected. The Soil Conservation Service administers the program, provides technical and financial assistance, and arranges with local contractors to do the installation work. The Forest Service is responsible for installing measures on the national forest reserve.

#### PROGRAM ASSIGNMENTS

The Soil Conservation Service has general responsibility for administration of the Watershed Protection and Flood Prevention Act and the work authorized under the Flood Control Act. This includes responsibility for the installation of land treatment measures and structural works of improvement in authorized watersheds on non-Federal land and on Federal lands by arrangement with the administering agency.

The Forest Service is responsible for installing planned land treatment measures and certain structural works on national forests and other lands administered by the Forest Service in authorized projects. It is also responsible, in cooperation with and through State and local agencies, for the installation of planned forestry measures on forest lands within projects.

The Forest Service does emergency work on national forest reserve lands and on adjacent land which they administer under formal agreement.

The Rural Development Administration has responsibility for administration of Sections 4 and 8 of the Act as they relate to loans and advances to local organizations.

The Economic Research Service makes special economic analyses of watershed or subwatershed projects on a reimbursable basis.

The Agricultural Research Service carries out trap efficiency studies to determine water and sediment outflow from reservoirs for use in designing floodwater retarding structures.

The Department of Interior's Bureau of Land Management and Bureau of Indian Affairs participate in the installation of works of improvement on lands under their jurisdiction.

The following table shows the appropriated funds obligated for PL-534 watershed operations, emergency operations, and PL-566 small watersheds in FY 1993.



	PL-534 Operations	Emergency Operations	PL-566 Small Watersheds	Total
<b>Direct Funds:</b>				
Soil Conservation Service.....	\$40,223,992	\$77,508,684	\$158,325,418	\$276,058,094
Forest Service.....	1,952,056	2,498,311	335,256	4,785,623
Rural Develop Admin	80,000	0	172,500	252,500
Total, Direct.....	\$42,256,048	\$80,006,995	\$158,833,174	\$281,096,217
<b>Reimbursable Funds:</b>				
Soil Conservation Service.....	\$2,116,706	\$2,061,427	\$13,614,329	\$17,792,462
Total Obligations...	\$44,372,754	\$82,068,422	\$172,447,503	\$298,888,679

#### Watershed Operations Authorized by PL-534 (Flood Prevention Operations)

Because the authorized flood prevention projects include relatively large areas, work plans are developed on a subwatershed basis. As of September 30, 1993, the total planning job was about 80 percent completed, with 344 work plans completed that include 23,157,573 acres. The following table summarizes the status of subwatershed planning by authorized project:

Flood Prevention Projects	Total Authorized Area	Subwatershed and other areas with planning potential		Subwatershed and Other work plans prepared to 9/30/93	
	Acres	No.	Acres	No.	Acres
Buffalo Creek, NY a/...	279,680	3	279,680	3	279,680
Colorado (Middle), TX..	4,613,120	18	4,613,120	17	4,613,120
Coosa, GA a/.....	1,339,400	16	1,174,650	16	1,174,650
Little Sioux, IA.....	1,740,800	123	1,041,675	123	1,041,675
Little Tallahatchie, MS	963,977	16	656,486 b/	16	656,486
Los Angeles, CA.....	536,960	10	76,434 c/	10	76,434
Potomac, W. VA & VA....	4,205,400	36	3,247,405	18	1,423,795
Santa Ynez, CA.....	576,000	5	50,743 d/	5	50,743
Trinity, TX.....	8,424,260	53	8,332,603	32	5,945,570
Washita, TX & OK.....	5,095,040	63	5,074,463	53	4,676,222
Yazoo, MS.....	7,661,278	87	3,581,175	51	3,219,198
TOTAL.....	35,435,915	430	28,128,434	344	23,157,573

- a/ The Buffalo Creek Watershed was completed and closed in 1964 and reopened in 1992 for repairs. The Coosa Watershed was completed and closed in 1981.
- b/ Excludes 96,501 acres of Sardis Reservoir area, and 304,000 acres in minor watersheds needing only land treatment measures.
- c/ Includes national forest and other lands, for which the Forest Service has been assigned program responsibility.
- d/ Excludes 195,818 acres of reservoir area.

The estimated Federal cost for each watershed and total Federal obligations through FY 1993:

Flood Prevention Project	Estimated Total Federal Cost	Obligations \$ (cumulative) a/ 9/30/92
Buffalo Creek Watershed, NY (Complete).....	\$5,653,802	\$5,653,802
Middle Colorado River Watershed, TX.....	67,543,773	61,224,319
Coosa River Watershed, GA and TN (Complete).....	18,386,615	18,386,615
Little Sioux River Watershed, IA.....	142,988,919	64,955,844
Little Tallahatchie River Watershed, MS.	170,702,722	58,277,202
Los Angeles River Watershed, CA.....	81,925,270	60,197,017
Potomac River Watershed, MD PA, VA, and WV.....	129,646,193	107,493,801

	Estimated Total Federal Cost	Obligations \$ (cumulative) a/ 9/30/92
<b>Flood Prevention Project</b>		
Santa Ynez River Watershed, CA.....	48,627,478	39,953,115
Trinity River Watershed, TX.....	246,894,200	180,788,845
Washita River Watershed, OK and TX.....	191,478,686	163,060,883
Yazoo River Watershed, MS.....	521,461,158	223,136,422
<b>TOTAL.....</b>	<b>\$1,625,308,816</b>	<b>\$983,127,865</b>

a/ Does not include Rural Development Administration obligations of \$80,000.

#### Small Watershed Operations Authorized by PL-566

Watershed plans involving an estimated Federal contribution in excess of \$5,000,000 for construction, or construction of any single structure having a capacity in excess of 2,500 acre feet, require Congressional committee approval. Other plans are approved administratively. After approval, technical and financial assistance can be provided for installation of works of improvement specified in the plans.

Project sponsors are provided assistance in installing planned land treatment measures when plans are approved. Surveys and investigations are made and detailed designs, specifications, and engineering cost estimates are prepared for construction of structural measures. Areas where sponsors need to obtain land rights, easements, and rights-of-way are delineated. Technical assistance is also furnished to landowners and operators to accelerate planning and application of needed conservation on their individual units.

The project enters construction when the first project agreement for construction of works of improvement is signed. Under a project agreement, the sponsoring local organization agrees to construct a single or an interrelated group of structures. The government and the sponsoring local organization agree to share the construction costs as specified in the work plan. Engineering and other assistance are provided for preparation of contracts and inspection of construction.

When the local organization does the contracting, payments are made to them as the work progresses in accordance with the terms of the project agreement. When the local organization requests the SCS to do the contracting for works of improvement, the SCS makes payments directly to the contractor as the work progresses. Payments include amounts financed from Federal funds and from local organizations which fund their share of the construction costs.

In FY 1993, 23 projects were approved for operation which brought to 1,557 the total number of projects approved as of September 30, 1993. Of the 1,557 projects in operation in 1993, 185 were installing watershed protection land treatment services and 418 were receiving engineering services or in construction at the end of the year. Projects with construction completed in 1993 brought the total number of projects in post-installation assistance to 789 as of September 30, 1993. One hundred sixty-five of the approved projects did not require Federal funds during the FY 1993 because of project inactivity. A total of 143 have been deauthorized due to the unlikelihood of further project activity.

# Obligations Related to PL-566 Watershed Projects

The following tabulation shows by State descriptive information concerning the extent of the program and rate of progress in obligating funds for the installation of works of improvement in PL-566 watersheds. There are 62 multi-State projects. Obligations and staff years are distributed between the States as applicable.

State	Number Projects Approved 9/30/93	FY 1993		Total Watershed Area Acres	Total Estimated Cost	Total Federal Estimated Cost	% Federal Cost to Total Cost	Total Cumulative Federal Obligations 9/30/93	% Federal Cost as of 9/30/93
		Total Federal Obligations FY 1993	Federal Staff-Input year						
Alabama	49	2,984,581	20	2,972,362	155,819,200	106,323,493	68.2	79,337,611	74.6
Arizona	16	2,460,525	23	1,217,462	179,720,328	132,441,787	73.7	110,679,731	83.6
Arkansas	63	4,702,949	33	3,381,394	242,238,983	181,980,274	75.1	140,767,883	77.4
California	27	7,436,590	36	1,256,413	298,819,177	209,138,820	70.0	175,727,668	84.0
Colorado	22	3,253,612	12	1,380,246	54,100,005	42,008,253	77.6	40,870,246	97.3
Connecticut	12	1,124,153	10	214,856	101,608,559	52,889,317	52.1	43,289,985	81.9
Delaware	6	723,210	8	411,663	29,788,059	27,617,726	92.7	27,617,726	100.0
Florida	30	909,474	7	2,151,268	71,280,555	43,871,971	61.5	30,835,984	70.3
Georgia	72	3,877,554	21	4,453,063	277,235,392	217,573,126	78.5	93,091,125	42.8
Hawaii	11	5,226,776	12	629,792	74,737,368	63,360,634	84.8	46,850,567	73.9
Idaho	20	516,439	13	890,397	22,808,935	16,970,384	74.4	16,970,384	100.0
Iowa	53	6,139,594	37	1,251,860	156,763,600	116,499,671	74.3	103,877,104	89.2
Illinois	30	3,126,355	21	1,685,550	292,537,801	185,173,014	63.3	123,869,858	66.9
Indiana	40	629,784	12	2,445,382	127,506,914	90,566,117	71.0	73,362,384	81.0
Kansas	61	7,059,598	48	5,774,346	325,634,691	223,146,225	68.5	169,672,750	76.0
Kentucky	42	1,967,972	24	2,572,913	116,590,219	92,295,795	79.2	81,307,856	88.1
Louisiana	48	3,113,541	43	5,920,975	168,761,909	119,342,682	70.7	114,088,189	95.6
Maine	20	809,736	12	1,095,054	31,686,188	22,737,628	71.8	17,285,163	76.0
Maryland	21	771,705	3	521,323	35,267,948	22,056,375	62.5	21,432,974	97.2
Massachusetts	12	1,068,140	10	460,232	98,869,479	41,168,342	41.6	35,678,284	86.7
Michigan	27	1,487,334	15	1,399,926	49,821,979	31,276,510	62.8	26,845,260	85.8
Minnesota	19	2,278,519	25	1,697,719	74,570,013	53,546,450	71.8	47,486,035	88.7
Mississippi	59	7,266,650	46	4,589,493	355,336,758	219,683,591	61.8	150,841,795	68.7
Missouri	31	8,987,807	50	2,165,491	198,747,519	164,674,056	82.9	90,598,284	55.0
Montana	21	1,266,834	16	1,398,621	41,741,066	30,690,583	73.5	26,691,649	87.0
Nebraska	52	3,102,478	23	3,494,759	138,119,132	119,063,309	86.2	96,591,012	81.1
Nevada	6	125,972	2	402,962	8,425,330	5,160,270	61.2	3,091,748	59.9



State	Number Projects Approved 9/30/92	FY 1992 Federal Staff- Input	Total Federal Obligations FY 1992	Total Watershed Area Acres	Total Estimated Cost	Total Federal Estimated Cost	% Federal Cost to Total Cost	Total Cumulative Federal Obligations 9/30/93	% Federal Cost Obligated as of 9/30/93
New Hampshire	7	7	427,069	456,770	27,670,347	22,054,819	79.7	22,054,819	100.0
New Jersey	15	13	712,550	389,347	82,957,963	43,122,616	52.0	41,069,494	95.2
New Mexico	28	25	13,768,917	1,681,677	201,510,111	165,382,959	82.1	114,665,700	69.3
New York	23	16	779,967	965,538	83,594,366	72,943,145	87.3	58,908,269	80.8
North Carolina	59	29	3,690,813	2,744,684	157,487,330	95,978,892	60.9	85,987,953	89.6
North Dakota	19	8	560,035	2,378,471	54,170,663	40,419,210	74.6	35,473,646	87.8
Ohio	26	23	3,953,996	2,449,256	111,483,763	99,578,628	89.3	96,633,217	97.0
Oklahoma	76	69	5,884,810	7,350,057	470,622,340	341,196,148	72.5	242,720,218	61.1
Oregon	22	13	1,651,029	1,199,556	116,973,497	75,310,330	64.4	37,313,486	49.5
Pacific Basin	1	3	598,287	150	755,287	702,987	93.1	598,287	85.1
Pennsylvania	31	29	1,384,492	1,499,287	154,433,463	112,496,718	72.8	96,147,548	85.5
Puerto Rico	4	8	677,891	266,002	115,367,544	56,542,544	49.0	10,975,403	19.4
Rhode Island	1	2	115,054	24,100	735,944	665,100	90.4	665,100	100.0
South Carolina	57	16	987,984	3,643,298	86,024,542	63,171,614	73.4	53,704,435	85.0
South Dakota	15	2	127,085	758,801	21,564,571	15,328,422	71.1	11,536,974	75.3
Tennessee	46	30	3,537,663	2,261,732	169,779,179	146,331,907	86.2	98,784,086	67.5
Texas	97	72	10,834,807	10,135,744	515,533,034	438,297,492	85.0	355,271,236	81.1
Utah	14	14	808,443	1,334,287	50,204,812	38,449,866	76.6	36,234,021	94.2
Vermont	12	12	1,007,577	983,927	30,770,571	20,198,396	65.6	16,899,997	83.7
Virginia	41	24	2,879,266	2,291,839	117,637,475	97,422,386	82.8	68,597,771	70.4
Washington	20	23	1,427,175	652,296	120,416,204	74,337,930	61.7	47,190,150	63.5
West Virginia	32	44	14,924,912	1,250,636	252,505,911	210,409,701	83.3	156,464,205	74.4
Wisconsin	28	15	4,353,538	1,468,999	62,208,432	53,042,063	85.3	47,169,374	88.9
Wyoming	13	6	806,250	615,236	15,557,213	10,531,961	67.7	9,754,707	92.6
Total	1,557	1,085 <sup>a/</sup>	158,325,495	102,637,212	6,748,501,669	4,925,172,237	73.0	3,733,579,354	75.8

a/ Soil Conservation Service staff-years only. There are an additional 5 Rural Development Administration staff-years and an additional 1 Forest Service staff-year funded by this activity for a total of 1,056 staff-years.

### Multiple Purpose Projects

On October 1, 1993, 731 multipurpose projects had been approved for operation under the Public Law 566 program. This represents 47 percent of the 1551 projects which were operational and indicates that the program continues to provide solutions to a broad range of local problems.

Agricultural Water Management. Three hundred ninety-one watershed projects include structural measures for agricultural water management in addition to flood prevention features. Of these, 302 include drainage improvements on existing cropland and 89 include irrigation.

Recreation. Two hundred seventy-five small watershed projects approved as of September 30, 1993 include developments to create or improve facilities for the enjoyment of outdoor recreation in addition to flood prevention and watershed protection. Local sponsoring organizations are responsible for operating and maintaining the reservoirs and recreation areas.

Municipal Water. As of September 30, 1993, local sponsors of 169 watershed projects had included municipal water supply features in their watershed plans in addition to flood prevention and watershed protection.

### Acceleration of Soil Surveys and Conservation Planning in Watershed and Flood Prevention Projects

Watershed and Flood Prevention Operations funds are used to accelerate soil surveys, conservation planning, and installation of conservation land treatment measures in PL-534 subwatersheds and PL-566 watershed projects as specified in project plans. This acceleration of technical assistance is provided to help meet project objectives within the agreed upon installation period.

In FY 1993, 127,018 acres of conservation and ranch plans were prepared with Watershed and Flood Prevention Operations funds.

### Loan Programs

Under Public Law 83-566, as amended and Public Law 78-534, loans are made to local organizations for financing the local share of the cost of installing, repairing, or improving works of improvements and water storage facilities, purchasing sites or rights-of-way and for related costs in approved watershed works of improvement and flood prevention projects. The Rural Development Administration has been assigned responsibility for making these loans to sponsors of such projects approved for operations. No loan may be made until the Soil Conservation Service and the local organization have agreed on a plan for works of improvement. Public Law 92-419, approved August 30, 1972, provided for making such loans on an insured basis under the Agricultural Credit Insurance Fund.

These loans are repayable in not more than 50 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. The rate in FY 1993 was 9.503 percent. For a single plan for works of improvement, the amount of the loan may not exceed \$10 million.

Applications for loans received by the Rural Development Administration have varied greatly in amount. Most applications have included requests for funds to purchase easements or rights-of-way and pay legal fees and organization costs. The larger loan requests have also included funds to pay the local organization's share of the installation costs of drainage channels, municipal water storage, irrigation works, recreational facilities, natural beauty, and other multiple-purpose improvements. In FY 1993 no loans were obligated. There are currently 184 borrowers outstanding at a value of \$53.7 million. Over the life of the program, 495 loans have been made at a value of almost \$176 million.

Item	1993		1994		1995	
	Actual		Estimated		Estimated	
	No. :	\$ (000)	No. :	\$ (000)	No. :	\$ (000)
1. Loans obligated during year	0 :	0 :	8 :	4,000 :	8 :	4,000 :
2. Borrowers outstanding	184 :	53,729 :	184 :	53,729 :	184 :	53,729 :
3. Loans cumulative	495 :	175,903 :	495 :	175,903 :	495 :	175,903 :

#### Improvements Installed in Watershed and Flood Prevention Projects

The following table contains a listing of the technical services provided, lands improved and erosion reduced, and land treatment measures installed within project areas by the Soil Conservation Service with funds from the Watershed and Flood Prevention Operations Program in 1993. The Forest Service also uses these funds on National forest lands to stabilize critical areas, roads and roadbanks; to reduce fire hazards and improve fire control; to plant and seed trees and grass; for range and waste land grazing; for wildlife habitat; for recreation; and also for vegetating surface mined areas and/or water management:

Agency	Units	Programs		Total
		Small Watersheds PL-566	Flood Prevention PL-534	
SOIL CONSERVATION SERVICE				
Technical Services:				
Individuals and groups provided one or more technical services.....	Number	7,754	7,580	15,334
State, local or other Federal units of government provided one or more technical services.....	Number	64	57	121
Individuals and groups of individuals who installed one or more land treatment measures to lands under their control.....	Number	3,951	3,914	7,865
Conservation planning achieved with land users receiving technical services.....	Acres	97,457	29,561	127,018
Lands Improved:				
Estimated land improved and tons of reduced erosion on lands within watershed project areas:				
Cropland.....	Acres	222,672	193,170	415,842
	Tons	1,456,747	2,520,816	3,977,563
Pasture and Hayland.....	Acres	43,192	158,286	201,478
	Tons	252,387	578,367	830,754
Range and Nature Pasture.....	Acres	95,414	243,383	338,797
	Tons	317,919	536,219	854,138
Woodland.....	Acres	7,627	7,081	14,708
	Tons	57,054	11,776	68,830
All Other.....	Acres	20,215	41,077	61,292
	Tons	124,088	173,746	297,834
Total.....	Acres	389,120	642,997	1,032,117
	Tons	2,208,195	3,820,924	6,029,119



## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Great Plains Conservation Program

For necessary expenses to carry into effect a program of conservation in the Great Plains area, pursuant to section 16(b) of the Soil Conservation and Domestic Allotment Act, as added by the Act of August 7, 1956, as amended (16 U.S.C. 590p(b)), [~~\$25,658,000~~] \$10,937,000, to remain available until expended (16 U.S.C. 590p(b)(7)).

Great Plains Conservation Program

Appropriation Act, 1994.....	\$25,658,000
Budget Estimate, 1995.....	<u>10,937,000</u>
Decrease in Appropriation.....	<u>-\$14,721,000</u>

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Cost</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
Great Plains Conservation Program:				
1. Cost-sharing assistance.....	\$16,365,000	--	-\$14,320,000	\$2,045,000
2. Cost-share program and contract administration.....	2,974,000	+\$32,000	-161,000	2,845,000
3. Technical assistance.....	<u>6,319,000</u>	<u>+\$68,000</u>	<u>-340,000</u>	<u>6,047,000</u>
TOTAL AVAILABLE.....	<u>\$25,658,000</u>	<u>+\$100,000</u>	<u>-\$14,821,000</u>	<u>\$10,937,000</u>

PROJECT STATEMENT  
(On basis of appropriation)

	<u>1993</u>		<u>1994 estimated</u>		<u>Increase</u>	<u>1995 estimated</u>	
<u>Project</u>	<u>Amount</u>	<u>: Staff:</u>	<u>Amount</u>	<u>: Staff:</u>	<u>or</u>	<u>Amount</u>	<u>: Staff</u>
		<u>: Years:</u>		<u>: Years:</u>	<u>Decrease</u>		<u>: Years</u>
Great Plains Conserva- tion Program:	:	:	:	:	:	:	:
1. Cost-sharing assistance.....	\$16,365,000:	--:	\$16,365,000:	--:	-\$14,320,000:	\$2,045,000:	--
2. Cost-share program and contract administration....	2,850,000:	55:	2,974,000:	54:	-129,000:	2,845,000:	51
3. Technical assistance.....	<u>6,056,000:</u>	<u>116:</u>	<u>6,319,000:</u>	<u>115:</u>	<u>-272,000:</u>	<u>6,047,000:</u>	<u>107</u>
Total Appropriation...	<u>\$25,271,000:</u>	<u>171:</u>	<u>\$25,658,000:</u>	<u>169:</u>	<u>-\$14,721,000:</u>	<u>\$10,937,000:</u>	<u>158</u>

PROJECT STATEMENT  
(On basis of available funds)

	<u>1993</u>		<u>1994 estimated</u>		<u>Increase</u>	<u>1995 estimated</u>	
<u>Project</u>	<u>Amount</u>	<u>: Staff:</u>	<u>Amount</u>	<u>: Staff:</u>	<u>or</u>	<u>Amount</u>	<u>: Staff</u>
		<u>: Years:</u>		<u>: Years:</u>	<u>Decrease</u>		<u>: Years</u>
Direct obligations:	:	:	:	:	:	:	:
Great Plains Conserva- tion Program:	:	:	:	:	:	:	:
1. Cost-sharing assistance.....	\$16,399,108:	--:	\$16,593,430:	--:	-\$14,548,430:	\$2,045,000:	--
2. Cost-share program and contract administration....	2,882,230:	55:	2,974,000:	54:	-129,000:	2,845,000:	51
3. Technical assistance.....	<u>6,124,738:</u>	<u>116:</u>	<u>6,319,000:</u>	<u>115:</u>	<u>-272,000:</u>	<u>6,047,000:</u>	<u>107</u>
Total direct oblig....	25,406,076:	171:	25,886,430:	169:	-14,949,430:	10,937,000:	158
Unobligated balance brought forward....	(-363,506):	(--):	(-228,430):	(--):	(+228,430):	(--):	(--)
Unobligated balance carried forward....	<u>(+228,430):</u>	<u>(--):</u>	<u>(--):</u>	<u>(--):</u>	<u>(--):</u>	<u>(--):</u>	<u>(--)</u>
Adjusted appropriation	(25,271,000)	(171)	(25,658,000)	(169)	(+228,430)	(10,937,000)	(158)
Reimbursable oblig....	<u>11,796:</u>	<u>--:</u>	<u>20,000:</u>	<u>--:</u>	<u>--:</u>	<u>20,000:</u>	<u>--</u>
Obligational authority	<u>\$25,417,872:</u>	<u>171:</u>	<u>\$25,906,430:</u>	<u>169:</u>	<u>-\$14,949,430:</u>	<u>\$10,957,000:</u>	<u>158</u>

SOURCES OF REIMBURSEMENTS

Project	1993	:	1994	:	Increase or	:	1995
	Actual	:	estimated	:	Decrease	:	estimated
Federal Sources.....	1,866	:	\$16,000	:	--	:	\$16,000
Other Non-Federal Sources.....	9,930	:	4,000	:	--	:	4,000
Total reimbursements.....	\$11,796	:	\$20,000	:	--	:	\$20,000

OUTLAYS

Project	1993	:	1994	:	Increase or	:	1995
	Actual	:	estimated	:	Decrease	:	estimated
Great Plains Conservation Program:		:		:		:	
1. Cost-sharing assistance.....	\$13,604,431	:	\$17,207,000	:	-\$5,570,000	:	\$11,637,000
2. Cost-share program and contract administration.....	3,149,403	:	2,926,000	:	-70,000	:	2,856,000
3. Technical assistance.....	6,692,481	:	6,217,000	:	-149,000	:	6,068,000
Total Outlays.....	\$23,446,315	:	\$26,350,000	:	-\$5,789,000	:	\$20,561,000

EXPLANATION OF PROGRAM

Authorization: The appropriation for "Great Plains Conservation Program" funds Soil Conservation Service activities authorized under Section 16(b) of the Soil Conservation and Domestic Allotment Act (PL 74-46) as amended by PL 84-1021. PL 101-624 amended PL 84-1021 to extend the Great Plains cost-share contracting authority to September 30, 2001.

Authorization limits: Total cumulative appropriations of \$1,000,000,000 are authorized for cost-sharing. Cost-sharing payment in any one fiscal year may not exceed \$50,000,000. Through September 30, 1993, \$397,863,803 have been paid out in cost-shares.

This program is in addition to other USDA soil and water conservation programs in the counties designated for participation, and is coordinated with programs and objectives of locally managed conservation districts, State agencies, and community groups.

Potential Workload:	<u>Acres (in 000's)</u>
Estimated acreage in the 556 designated counties that could come under Great Plains contracts.....	210,000
Current Activity:	
Land under active contracts as of September 30, 1993.....	19,884

The purpose of the program is to assist farmers and ranchers in planning and applying resource management systems on their farms and ranches to prevent or reduce the effects of the climatic hazards of the area. Benefits to be achieved are protection and improvement of soil, water, plant, and wildlife resources through reduction of erosion and sedimentation, and abatement of agriculture-related pollution. A secondary benefit of the program is its impact on stabilizing the local economy. Activities include:

- Cost-sharing assistance - Payments are made to program participants for a share of the cost of installing eligible conservation practices scheduled in contracts, including, among others, terraces, permanent vegetative cover, re-establishing grasslands and pipelines.
- Cost-share programming and contract administration - Soil Conservation Service provides assistance in developing contracts, which include schedules of conservation practices to be applied, and administers contracts.
- Technical assistance - Soil Conservation Service provides assistance to help farmers and ranchers plan, install, and maintain scheduled conservation practices according to standards and specifications.



**PROGRAM RESULTS**

	FY 1993:	FY 1994:	FY 1995:
	Actual:	Estimate:	Estimate
Active Contracts - beginning of year.....	6,336:	6,761:	7,151
New Contracts signed.....Annual	1,129:	1,150:	100
	Cumulative	70,608:	71,758: 71,858
Contracts Completed and Terminated.....Annual	-760:	-760:	-760
	Cumulative	63,749:	64,509: 65,269
Active Contracts - end of year.....	6,761:	7,151:	6,491
Active applications on hand beginning of year	2,700:	2,599:	2,700
Active applications on hand end of year.....	2,599:	2,700:	3,000
Number of participants serviced.....Annual	7,465:	7,911:	7,251
Acres in new contracts (1,000).....Annual	2,827:	2,800:	250
Acres treated (1,000) .....Cumulative	153,940:	156,740:	156,990

**JUSTIFICATION OF INCREASES AND DECREASES**

(1) A decrease of \$14,721,000 for the Great Plains Conservation Program consisting of:

- (a) An increase of \$100,000 for the Great Plains Conservation Program for a 1.6 percent general pay raise anticipated for fiscal year 1995.
- (b) An increase of \$512,000 for an anticipated 2.6 percent increase in nonpay support costs associated with program operations in fiscal year 1995.
- (c) A decrease of \$279,000 for a reduction in Federal employment costs.

**Need for Change.** In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 2.9 percent.

**Nature of Change.** The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (d) A decrease of \$54,000 for administrative efficiency.

**Need for Change.** In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$54,000.

**Nature of Change.** In order to achieve these savings, SCS will reduce discretionary expenses in this program by \$54,000 in FY 1995, in areas such as travel, transportation of things, rent and communications, miscellaneous services, and supplies. There would be no significant impact on program operations as long as the agency is funded for the uncontrollable FY 1995 increased pay and inflationary costs.

(e) A program decrease of \$15,000,000.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets.

Nature of Change. Cost-sharing assistance available for new contracting will be reduced to about 12 percent of the 1994 program level. An estimated 100 new contracts focussing on water quality concerns would be signed. Technical assistance will continue to complete the installation of conservation practices included under active GPCP contracts signed in prior years. There is a loss of 6 staff years associated with this reduction.

SOIL CONSERVATION SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995  
GREAT PLAINS CONSERVATION PROGRAM

	1993		1994		1995	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
COLORADO.....	\$2,076,828	14	\$2,131,673	14	\$880,000	13
KANSAS.....	2,503,958	18	2,561,384	18	1,078,000	17
MONTANA.....	2,259,566	14	2,271,573	13	867,000	12
NEBRASKA.....	2,392,999	16	2,455,078	16	1,000,000	15
NEW MEXICO.....	1,361,000	7	1,396,239	6	542,000	6
NORTH DAKOTA.....	2,008,004	13	1,888,474	13	800,000	12
OKLAHOMA.....	1,921,275	12	1,986,193	12	768,000	11
SOUTH DAKOTA.....	2,284,927	17	2,348,010	17	1,034,000	16
TEXAS.....	6,220,011	39	6,287,584	39	2,539,000	37
WYOMING.....	1,556,263	10	1,785,629	10	688,000	9
FORT WORTH NTC...	102,246	3	95,237	3	91,000	2
LINCOLN NTC.....	66,000	1	26,455	1	25,000	1
PORTLAND NTC.....	55,786	2	56,084	2	54,000	2
NATIONAL HDQTRS..	597,213	5	596,817	5	571,000	5
Total available or estimate.....	\$25,406,076	171	\$25,886,430	169	\$10,937,000	158

## GREAT PLAINS CONSERVATION PROGRAM

## STATUS OF PROGRAM

CURRENT ACTIVITIES: The Great Plains Conservation Program, authorized by Public Law 96-263, provides assistance, under long-term contracts, to land users in 556 designated counties of the 10 Great Plains States. It is designed to provide needed protection and improvement of soil, water, plant, and wildlife resources of the unique Plains area, which is plagued with recurring drought, and severe erosion from wind and water. Selection of suitable land uses and installation of complete conservation treatment and management systems on farms and ranches in the area are made through reduction of wind and water erosion, abatement of agriculture related pollution and water conservation measures.

PROGRAM ASSIGNMENTS

The Soil Conservation Service has responsibility for administration of the Great Plains Conservation Program. State and county program committees participate in program development and coordination of activities. The Agricultural Stabilization and Conservation Service (ASCS) certifies that cost-share payments are not duplicates of payments made under programs administered by ASCS and searches the claim control record to determine whether amounts due to the Federal Government should be set off against cost-share payments and that participants are not in violation of FACT Act highly erodible land and wetland conservation provisions.

PROGRAM, ADMINISTRATIVE, AND TECHNICAL ASSISTANCE

Technical services of soil and range conservationists, engineers, agronomists and other agricultural specialists are provided to help install sound conservation programs adapted to each farm or ranch. These services include:

(a) Cost-share program and contract administration. This includes: overall program direction and administration; technical assistance for processing applications for program participation; development of average costs; determining cost-share obligations; preparing contracts; and contract administration to ensure that contract provisions are met. Contracts are based on conservation plans of operations which outline resource management systems by land use.

(b) Technical assistance to help install planned conservation practices. Farmers and ranchers contract to complete their plan of conservation operations as scheduled. Assistance in practice installation is provided when needed for site selection, topographic surveys, detailed designs, practice layout, and completion. Technical assistance is also furnished to help cooperators perform required noncost-shared management features such as planned grazing systems, irrigation water management, and crop residue management on cultivated land.

SCS installation services are committed for contracted practices during the duration of the contract which runs from 3 to 10 years. Technical assistance is made available to help install practices scheduled for installation by local staffs at each field office. In 1993, 114 staff-years were used for technical services.

COST-SHARING ASSISTANCE

Cost-share payments normally vary from 25 to 80 percent of the costs incurred by program participants for installation of eligible conservation practices. The average federal cost for applying conservation work in a contract is 38 percent. Financial assistance enables cooperators to install conservation practices in the proper sequence as scheduled in long term contracts. Determination of a county's eligibility for participation in the program is based on conservation needs and interests of local people. The physical factors for consideration include susceptibility of the land to serious soil erosion, and the need for changes in land use, cropping systems, and grassland management. The responsibility for determining local interest in the program rests with the State Conservationist. At the end of



FY 1993, the following characterizes program participation and shows number and acres of active contracts by State:

State	Designated Counties	Active Contracts 9/30/93		FY 93 Actual Cost-sharing Payments	Total Direct Obligations	Staff Yrs.
		Number	Acres			
Colorado.....	38	577	1,501,000	\$1,406,252	\$2,076,828	14
Kansas.....	62	1,192	641,568	728,073	2,503,958	18
Montana.....	46	419	2,592,072	1,392,750	2,259,566	14
Nebraska.....	65	667	1,478,042	1,345,582	2,392,999	16
New Mexico.....	27	213	3,210,775	574,666	1,361,000	7
North Dakota....	48	635	1,303,818	1,228,004	2,008,004	13
Oklahoma.....	44	738	507,485	966,070	1,921,275	12
South Dakota....	51	623	2,377,284	1,055,925	2,284,927	17
Texas.....	156	1,395	3,592,363	4,009,503	6,220,011	39
Wyoming.....	19	302	2,679,795	897,606	1,556,263	10
National Techni- cal Centers... 1/	- -	- -	- -	- -	224,032	6
National Hdqtrs.	- -	- -	- -	- -	597,213	5
Total GPCP.....	556	6,761	19,884,202	\$13,604,431	\$25,406,076	171

1/ Includes management, program, and technical guidance provided through National Technical Centers as follows:

Lincoln, Nebraska....	\$66,000
Fort Worth, Texas....	102,246
Portland, Oregon.....	55,786

Farms and ranches under contract at the end of FY 1993 average 2,941 acres in size and obligate a total of \$45,302,393 in cost-share. A total of 153,939,953 acres have been included in cost-share contracts since the program began.

#### CONSERVATION ACCOMPLISHMENTS

The following information identifies how the 1993 cost share funds were obligated by land use and by problem level within each land use. The land in the severe problem category is expected to be in the moderate or slight problem category at the end of the contract.

LAND USE		SEVERE	MODERATE	SLIGHT	TOTAL
Rangeland.....	Acres	613,105	1,091,265	312,317	2,016,687
	Obligations	\$3,444,067	\$3,724,377	\$432,632	\$7,601,076
Non-irrigated Pastureland....	Acres	17,766	54,731	45,365	117,862
	Obligations	\$791,614	\$782,466	\$146,662	\$1,720,742
Irrigated Cropland & Pastureland....	Acres	21,814	38,073	58,570	118,457
	Obligations	\$581,328	\$723,543	\$189,032	\$1,493,903
Non-irrigated Cropland.....	Acres	114,055	76,173	122,723	312,951
	Obligations	\$2,887,946	\$783,784	\$235,911	\$3,907,641
Convert cropland to grassland....	Acres	16,170	13,573	5,646	35,389
	Obligations	\$696,962	\$432,957	\$75,889	\$1,205,808
Other.....	Acres	8,807	7,893	55,690	72,390
	Obligations	\$243,289	\$183,322	\$57,963	\$484,574
TOTAL.....	Acres	791,717	1,281,708	600,311	2,673,736
	Obligations	\$8,645,206	\$6,630,449	\$1,138,089	\$16,413,744

Problem categories are defined as follows:

Slight Problem - The operating unit has very few or minor conservation treatment needs and can be adequately protected from resource degradation by appropriate management measures and techniques. Land already treated would fall in this category and would have to be included in the contract even if only maintenance would be needed.

Moderate Problem - The operating unit has fragile features and is susceptible to degradation from climatic and other hazards. It is in need of conservation treatment. Productive use of the unit can be accomplished and maintained through a combination of management and enduring (usually cost-shared) treatment measures.

Severe Problem - The operating unit has high susceptibility to degradation and deterioration and has high need for conservation treatment. Although productive use of the resource may or may not be advisable, it can be adequately protected through extensive management of the fragile resource combined with enduring conservation treatment measures.

#### WIND EROSION CONDITIONS IN THE GREAT PLAINS For the 1992-1993 Wind Erosion Season

Wind erosion reports submitted from 541 counties in which wind erosion was prevalent during the 1992-1993 season, showed that total land damage this year is 2.9 million acres and is 5.7 million acres (47 percent) below the 35 year average.

The Northern Plains reported 1.5 million acres damaged, a 27 percent decrease from last year.

The 541 counties reported 2,984,300 acres damaged through the end of May. Of the total land reported damaged 88 percent (2,643,500 acres) was cropland.

Crops or cover were destroyed on 154,400 acres of land.

Land reported in condition to blow was 12,509,000 acres, 22 percent below last year and 14 percent above the average of 10,963,000 acres.

## SOIL CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Resource Conservation and Development

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010-1011; 76 Stat. 607), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), [\$32,945,000]

\$26,157,000: Provided, That \$600,000 in loans may be insured, or made to be sold and insured, under the Agricultural Credit Insurance Fund of the Farmers Home Administration (7 U.S.C. 1931): Provided further, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$50,000 shall be available for employment under 5 U.S.C. 3109.



Resource Conservation and Development

Appropriation Act, 1994.....	\$32,945,000
Budget Request, 1995.....	<u>26,157,000</u>
Increase in Appropriation.....	<u>-\$ 6,788,000</u>

SUMMARY OF INCREASES AND DECREASES  
(on basis of appropriation)

Item of Change	1994 Estimated	Pay Costs	Other Changes	1995 Estimated
Resource Conservation and Development:				
1. Technical assistance.....	\$28,343,000	+\$291,000	-\$ 2,532,000	\$26,102,000
2. Financial assistance.....	4,542,000	--	4,542,000	--
3. Loan services.....	60,000	--	5,000	55,000
TOTAL AVAILABLE.....	<u>\$32,945,000</u>	<u>+\$291,000</u>	<u>-\$ 7,079,000</u>	<u>\$26,157,000</u>

PROJECT STATEMENT  
(On basis of appropriation)

Project	1993 Amount	Staff: Years	1994 estimated Amount	Staff: Years	Increase or Decrease	1995 estimated Amount	Staff: Years
Resource Conservation and Development:							
1. Technical assistance.....	\$29,949,000	523	\$28,343,000	475	-\$2,241,000	\$26,102,000	405
2. Financial assistance.....	2,507,000	--	4,542,000	--	4,542,000	--	--
3. Loan services.....	60,000	2	60,000	2	-5,000	55,000	2
Total available.....	<u>\$32,516,000</u>	<u>525</u>	<u>\$32,945,000</u>	<u>477</u>	<u>-\$6,788,000</u>	<u>\$26,157,000</u>	<u>407</u>

PROJECT STATEMENT  
(On basis of available funds)

Project	1993 Amount	Staff: Years	1994 estimated Amount	Staff: Years	Increase or Decrease	1995 estimated Amount	Staff: Years
Resource Conservation and Development:							
1. Technical assistance.....	\$30,735,181	523	\$29,555,000	475	-\$3,453,000	\$26,102,000	405
2. Financial assistance.....	2,048,298	--	5,627,802	--	-5,627,802	--	--
3. Loan services.....	60,000	2	60,000	2	-5,000	55,000	2
Total direct oblig.	<u>\$32,843,479</u>	<u>525</u>	<u>\$35,242,802</u>	<u>477</u>	<u>-\$9,085,802</u>	<u>\$26,157,000</u>	<u>407</u>
Unobligated balance brought forward....	(-2,625,281)	(--)	(-2,297,802)	(--)	(+2,297,802)	(--)	(--)
Unobligated balance carried forward....	<u>(+2,297,802)</u>	<u>(--)</u>	<u>(--)</u>	<u>(--)</u>	<u>(--)</u>	<u>(--)</u>	<u>(--)</u>
Appropriation total	<u>(32,516,000)</u>	<u>(525)</u>	<u>(32,945,000)</u>	<u>(477)</u>	<u>(-6,788,000)</u>	<u>(26,157,000)</u>	<u>(407)</u>
Reimbursable obligations:							
Resource Conservation and Development:							
(a) Technical assistance.....	334,083	5	368,000	6	+ 32,000	400,000	6
(b) Financial assistance.....	352,694	--	632,000	--	- 632,000	--	--
Total reimbursable obligations.....	<u>686,777</u>	<u>5</u>	<u>1,000,000</u>	<u>6</u>	<u>- 600,000</u>	<u>400,000</u>	<u>6</u>
Obligational authority.....	<u>\$33,530,256</u>	<u>530</u>	<u>\$36,242,802</u>	<u>483</u>	<u>-\$9,685,802</u>	<u>\$26,557,000</u>	<u>413</u>

SOURCES OF REIMBURSEMENTS

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Federal Sources.....	\$298,895	\$ 200,000	--	\$200,000
Non-Federal Sources....	387,882	800,000	--	200,000
Total Reimbursements...	\$686,777	\$1,000,000	--	\$400,000

OUTLAYS

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Resource Conservation and Development:				
(a) Technical				
assistance.....	\$30,251,374	\$25,475,000	-\$996,000	\$24,479,000
(b) Financial				
assistance.....	5,008,000	6,491,000	-3,226,000	3,265,000
(c) Loan services....	60,000	60,000	-5,000	55,000
Total Outlays.....	\$35,319,374	\$32,026,000	-\$4,227,000	\$27,799,000

EXPLANATION OF PROGRAM

The appropriation "Resource Conservation and Development" funds the activities authorized under Section 32(e) of Title III of the Bankhead-Jones Farm Tenant Act (Public Law 75-210), as amended and the Soil Conservation and Domestic Allotment Act of April 27, 1935, (Public Law 74-46), as amended and the provisions of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461). Program assistance provided in authorized RC&D areas includes technical assistance for planning and implementation, financial assistance, and loan services.

Technical Assistance: Staff assistance is provided to local sponsors in the preparation of RC&D area plans for the conservation, development, and utilization of the natural resources in the RC&D area. Staff assistance is also provided to local sponsors in the implementation of their RC&D plans. This includes:

- Assistance with inventories and studies of measures of areawide scale that directly aid sponsors in achieving their RC&D objectives.
- Assistance in developing plans, designs, layout, and installation of measures eligible for RC&D financial assistance.
- Assistance to sponsors to achieve activities and measures contained in the RC&D plans which are ineligible for RC&D financial assistance.

Financial Assistance: Financial assistance is provided to eligible sponsors to install approved measures. Priority is given to measures related to erosion and sediment control (critical area treatment), flood prevention and farm irrigation, and efficiency in water short areas. Other purposes include soil and water management for control of agriculture-related pollutants, public water-based recreation developments, and public water-based fish and wildlife developments.

MAIN WORKLOAD FACTORS

	1993 Actual	1994 Estimate	1995 Estimate
<u>Status of Authorized RC&amp;D Areas:</u>			
Areas authorized start of year.....	236	250	260
Areas Deauthorized in year.....	--	--	--
New areas authorized in year.....	14	10	--
Areas authorized end of year.....	250	260	260
Applications on hand.....	(62)	(80)	(100)

RC&D Project Activity:

<u>Project Plans:</u>				
Adopted	During year..	2,382	2,500	2,650
	Cumulative...	40,708	43,208	45,858
Written	During year..	1,765	1,800	1,500
	Cumulative...	31,104	32,904	34,404
<u>Projects Underway:</u>				
In Construction	During year..	1,900	1,900	1,200
	Completed			
Completed	During year..	1,691	1,720	1,100
	Cumulative...	27,482	29,202	30,302

Input of Resources to Projects(\$ in 1,000's):

(Resources provided for accomplishing completed projects. Includes direct technical and financial assistance attributable to a project.)

RC&D resources	During year..	\$ 8,011	\$ 8,331	\$ 4,100
Other federal	During year..	\$36,236	\$37,000	\$18,200
State government	During year..	\$26,331	\$27,400	\$13,500
Local government	During year..	\$14,354	\$14,000	\$ 7,300
Non-government	During year..	\$34,417	\$36,000	\$17,700
Ratio of RC&D funds to other funding:	During year..	1:14	1:14	1:14

Loan Services Assistance: Funds are provided to the Farmer's Home Administration (FmHA) to service loans made to sponsors from the Agricultural Credit Insurance Fund. Loan services must be provided from Resource Conservation and Development funds because the Agricultural Credit Insurance Fund of the RDA is not available for such expenses. The workload in FY 1993 consisted of providing loan counseling to help local sponsors arrange funding necessary to implement planned financial assistance measures.

Item	1993		1994		1995	
	No.	Actual Amount	No.	Estimated Amount	No.	Estimated Amount
1. Loans obligated during year.....	0	0	0	0	0	0
2. Borrowers outstanding	105	\$ 7,423,000	105	\$ 7,423,000	105	\$ 7,423,000
3. Loans cumulative.....	292	\$29,484,709	292	\$29,484,709	292	\$29,484,709



JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$6,788,000 for the Resource Conservation and Development Program consisting of:
- (a) An increase of \$291,000 for the Resource Conservation and Development program for a 1.6 percent general pay raise anticipated for fiscal year 1995.
  - (b) An increase of \$468,000 for the anticipated 2.6 percent increase in nonpay support costs associated with program operations in fiscal year 1995.
  - (c) A decrease of \$859,000 for a reduction in Federal employment costs.

Need for Change. In support of Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, SCS is reducing employment in this program from the FY 1993 base by 2.5 percent.

Nature of Change. The consolidation of USDA conservation programs creates considerable opportunities to simplify procedures, streamline operations, expedite services and in the process realize significant savings in staffing and other administrative costs. The proposed USDA field service center concept will consolidate many USDA field offices under one roof and will ensure improved delivery of conservation and farm program assistance. The full integration and sharing of data and information will reduce the potential for duplication of efforts and will allow for greater interchange between county/area committees and conservation districts. Finally, many administrative and financial management functions at both the headquarters and field levels will also be consolidated with those of the Forest Service as part of the Department's overall streamlining efforts.

- (d) A decrease of \$2,141,000 in technical assistance base program.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets. SCS has refocused the RC&D program by placing additional emphasis on development of local capability to operate and maintain the RC&D council planning and implementation process and in seeking technical and financial assistance from all Federal, state and local sources.

Nature of Change. The decrease will require the elimination of 34 FTE and will be applied to salaries, benefits and related support costs. In FY 1995, the RC&D program would be reduced by not funding additional areas, not filling vacancies that occur, reassigning employees needed to meet this reduction, and totally eliminating financial assistance. Funding would be distributed for providing either a full or part-time RC&D coordinator and support staff in the currently authorized areas.

- (e) A decrease of \$4,542,000 in the financial assistance base program.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets.

Nature of Change. The decrease will eliminate financial assistance funding provided to local sponsors as seed money for project measures that address high priority natural resource problems. These funds are used to install cost-shared conservation measures largely in rural and economically stressed areas.

(f) A decrease of \$5,000 in the loan services base program.

Need for Change. This decrease is part of a reduction to meet overall USDA budget and spending targets.

Nature of Change. The decrease will be applied to salaries, benefits, and related support costs for Farmer Home Administration agency personnel servicing existing loans.

Soil Conservation Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
 1993 and Estimated 1994 and 1995  
 RESOURCE CONSERVATION AND DEVELOPMENT

	1993		1994		1995	
	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS	AMOUNT	STAFF YEARS
ALABAMA.....	\$1,166,631	18	\$1,159,230	14	\$850,000	12
ALASKA.....	114,496	2	121,120	2	107,000	2
ARIZONA.....	625,844	10	605,580	9	534,000	8
ARKANSAS.....	840,997	16	883,830	12	636,000	10
CALIFORNIA.....	371,853	7	490,910	8	417,000	7
COLORADO.....	742,001	15	768,910	13	573,000	11
CONNECTICUT.....	255,507	4	241,160	4	213,000	3
DELAWARE.....	123,841	2	131,370	2	98,000	2
FLORIDA.....	356,432	3	413,770	2	239,000	2
GEORGIA.....	942,479	15	1,079,490	13	636,000	11
HAWAII.....	372,001	7	359,060	6	317,000	5
IDAHO.....	726,866	13	768,910	12	573,000	10
ILLINOIS.....	714,091	13	726,700	13	641,000	11
INDIANA.....	734,624	13	766,900	12	586,000	10
IOWA.....	857,991	17	897,060	14	669,000	12
KANSAS.....	609,993	12	561,640	11	495,000	9
KENTUCKY.....	888,279	13	1,061,400	13	679,000	11
LOUISIANA.....	471,001	8	512,610	7	382,000	6
MAINE.....	605,819	10	605,580	10	534,000	8
MARYLAND.....	245,999	5	242,230	5	21,000	4
MASSACHUSETTS.....	242,311	4	231,140	3	183,000	3
MICHIGAN.....	759,369	12	802,910	9	518,000	8
MINNESOTA.....	890,791	14	768,910	10	573,000	8
MISSISSIPPI.....	568,069	12	605,580	12	534,000	10
MISSOURI.....	716,467	14	897,060	14	669,000	12
MONTANA.....	735,004	10	709,550	9	626,000	8
NEBRASKA.....	398,001	5	524,330	5	363,000	4
NEVADA.....	97,835	2	134,020	2	86,000	2
NEW HAMPSHIRE.....	122,998	2	121,120	2	107,000	2
NEW JERSEY.....	223,476	5	250,440	5	200,000	4
NEW MEXICO.....	929,703	14	1,036,020	13	693,000	11
NEW YORK.....	679,437	13	605,580	12	534,000	10
NORTH CAROLINA.....	857,347	13	908,780	14	650,000	12
NORTH DAKOTA.....	867,820	12	1,063,660	12	662,000	10
OHIO.....	862,002	14	867,750	13	716,000	11
OKLAHOMA.....	837,414	14	1,029,240	12	651,000	10
OREGON.....	435,956	10	512,610	11	382,000	9
PACIFIC BASIN.....	115,500	2	129,320	2	94,000	2
PENNSYLVANIA.....	689,064	12	806,430	10	512,000	8
PUERTO RICO.....	309,675	6	363,350	7	321,000	6
RHODE ISLAND.....	124,003	2	121,120	2	107,000	2
SOUTH CAROLINA.....	395,631	8	497,030	8	354,000	7
SOUTH DAKOTA.....	491,984	8	484,460	8	427,000	7
TENNESSEE.....	690,818	10	728,700	7	336,000	6
TEXAS.....	1,476,558	18	1,755,262	14	782,000	12
UTAH.....	750,535	10	605,580	9	534,000	8
VERMONT.....	231,975	4	242,230	4	214,000	3
VIRGINIA.....	432,875	7	452,310	7	399,000	6
WASHINGTON.....	384,291	6	533,120	6	349,000	5
WEST VIRGINIA.....	728,708	11	792,360	10	535,000	8
WISCONSIN.....	505,000	6	501,890	5	372,000	4
WYOMING.....	504,456	9	512,610	8	382,000	7
CHESTER NTC.....	92,909	1	81,460	1	72,000	1
FORT WORTH NTC.....	274,666	5	248,660	4	219,000	3
LINCOLN NTC.....	139,000	2	122,190	2	108,000	2
PORTLAND NTC.....	90,500	1	82,530	1	73,000	1
NATIONL HDQTRS.....	1,773,925	19	2,141,030	18	1,889,000	17
FmHA.....	60,000	2	60,000	2	55,000	2
FOREST SERVICE.....	590,661	3	515,000	2	483,000	2
Total Available or Estimate....	\$32,843,479	525	\$35,242,802	477	\$26,157,000	407



# RESOURCE CONSERVATION AND DEVELOPMENT

## STATUS OF PROGRAM

The Resource Conservation and Development (RC&D) Program began in February 1964 under authority of Section 102 of the Food and Agriculture Act of 1962 (Public Law 87-703) and other Departmental authorities. These authorities have been replaced by Sections 1528-1538 of the Agriculture and Food Act of 1981 which authorized a program to assist local and State efforts in resource conservation and development. The Food, Agriculture, Conservation and Trade Act of 1990 reauthorizes the program through FY 1995.

Program administration is provided by the Soil Conservation Service (SCS). Assistance is provided to RC&D sponsors as authorized by the Secretary of Agriculture. RC&D sponsors, State and local units of government, and nonprofit organizations initiate and direct the planning process, develop and maintain an RC&D area plan, and carry out activities to implement their area plan.

Department of Agriculture agencies provide technical, financial, and loan assistance to local sponsors. Sponsors also seek the help of local, State, and other Federal agencies and private organizations that can assist them in areawide planning and in carrying out activities to implement plans.

Program Objectives: As stated in the Agriculture and Food Act of 1981, The RC&D program is to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop and carry out programs for resource conservation and development. The program also establishes or improves the coordination systems used in rural communities to effectively utilize available Federal, State, and local programs. Each RC&D area has a council made up of local sponsors to develop and implement the priorities needed to conserve and improve the use of land, develop natural resources, and enhance the social, economic, and environmental conditions in their rural area.

Program Operations: The 1990 Food, Agriculture and Trade Act limits assistance to not more than 450 active designated areas. At the present time there are 250 authorized areas, and 62 applications on file for new areas which desire to become involved in the program.

## Status of Resource Conservation and Development Program as of September 30, 1993

State	Area Applications on Hand			Areas Authorized for Assistance		
	No.	Acres	Counties Involved	No.	Acres	Counties Involved
Alabama	--	--	--	9	32,898,231	67
Alaska	3	73,984,000	4	1	14,700,000	1
Arizona	--	--	--	5	71,448,255	15
Arkansas	--	--	--	7	33,314,813	75
California	--	--	1	4	23,360,939	17
Caribbean Area	1	520,555	4	3	1,665,883	15
Colorado	--	--	--	6	47,180,598	43
Connecticut	--	--	--	2	3,127,056	8
Delaware	--	--	--	1	1,265,920	3
Florida	1	6,202,240	9	3	9,984,630	22
Georgia	2	4,867,800	23	8	18,422,956	77
Hawaii	--	--	--	3	3,699,685	3
Idaho	2	12,005,620	10	6	41,308,242	32
Illinois	2	3,573,090	12	6	16,776,983	50
Indiana	--	--	--	6	11,971,630	48
Iowa	3	5,902,169	16	7	13,849,471	40
Kansas	--	--	--	5	13,970,967	32

**Status of Resource Conservation and Development Program  
as of September 30, 1993**

State	Area Applications on Hand			Areas Authorized for Assistance		
	No.	Acres	Counties Involved	No.	Acres	Counties Involved
Kentucky	5	7,002,163	36	8	16,290,653	71
Louisiana	1	3,301,706	5	4	18,082,875	41
Maine	--	--	--	5	19,106,313	16
Maryland	1	1,706,923	5	2	2,833,579	12
Massachusetts	--	--	--	2	3,988,405	10
Michigan	1	3,362,600	8	6	28,908,815	63
Minnesota	--	--	--	6	32,235,394	53
Mississippi	1	3,063,854	9	5	30,020,900	81
Missouri	1	2,766,080	9	7	23,969,407	57
Montana	1	18,849,492	10	6	59,529,675	37
Nebraska	4	12,276,008	31	4	24,017,324	33
Nevada	--	144,820	1/	1	7,936,647	7
New Hampshire	1	2,710,000	6	1	3,161,374	4
New Jersey	--	--	--	2	4,416,936	17
New Mexico	--	--	--	8	86,782,720	33
New York	2	3,023,044	9	5	21,628,608	34
North Carolina	4	6,295,896	21	7	13,396,296	40
North Dakota	--	--	--	8	44,405,257	53
Ohio	1	2,700,000	9	7	20,425,737	68
Oklahoma	1	6,976,534	8	8	36,378,176	67
Oregon	--	--	--	4	26,837,354	21
Pacific Basin	--	--	--	1	896,000	2
Pennsylvania	3	5,162,146	16	6	22,121,355	46
Rhode Island	--	--	--	1	677,120	5
South Carolina	1	1,757,800	5	4	13,501,180	31
South Dakota	2	12,305,072	8	4	22,881,906	27
Tennessee	1	1,421,100	6	5	10,899,358	43
Texas	11	86,348,672	111	12	70,861,163	124
Utah	2	9,617,981	8	5	43,611,338	21
Vermont	--	--	--	2	6,107,890	14
Virginia	1	1,727,051	6	4	7,841,211	33
Washington	--	--	--	4	25,653,950	13
West Virginia	--	--	--	6	15,477,529	55
Wisconsin	--	--	--	4	23,570,598	41
Wyoming	1	8,550,400	2	4	55,646,014	22
TOTALS	60	308,124,816	329	250	1,203,045,316	1,843

1/ Part of Idaho application.

For multistate applications and areas in the above table the number is tabulated for the states having leadership. The "Acreage" column reflects actual acreage in each state covered by the applications or areas. The "Counties Involved" column reflects whole and parts of counties in the state in which they are located and not in the state that has leadership.

For states having portions of counties in more than one approved RC&D area, or on file as an application, the "Counties Involved" column reflects no duplication. The typical RC&D area has 17 sponsors including six county governments, seven soil and water conservation districts, two cities, a substate district and one other organization. This group of sponsors operates by having each sponsor designate a representative to serve on the RC&D council. The council, with assistance from the RC&D Coordinator and other agency representatives, carries out the coordinating function to make effective use of all financial and technical resources available in the area.

RC&D area planning focuses on a determination of the area's problems and needs, setting objectives and goals and alleviating these problems through local citizen leadership and participation. The process is concerned with land conservation, water management, community development and other elements such as the protection of fish and wildlife habitat.

The planning process results in the development of an "Area Plan" which contains the objectives and goals established by the council and is used to guide a council's efforts in the future. An annual plan of work also is prepared. Each year, each RC&D council goes through a process of evaluation and redefinition of goals to update their plan of action.

Once the area plan is prepared, councils work on implementing their objectives and goals. Measures (or projects) are developed for the strategies needed to reach goals. Measures are made up of a variety of activities carried out under the leadership of the RC&D council with assistance from Federal, State, and local cooperating agencies. Measures are major undertakings, requiring an extensive effort on the part of the council to complete. By completing a number of related measures a council's goal will be met.

Loans Available: Under the Bankhead-Jones Farm Tenant Act, Public Law 75-210, as amended, loans are made to local organizations for financing the local share of the cost of installing approved RC&D measures in authorized RC&D areas. The Rural Development Administration has been assigned responsibility for making these loans to sponsors of SCS approved projects. Public Law 92-419, approved August 30, 1972, provided for making such loans on an insured basis under the Agricultural Credit Insurance Fund.

These loans may not exceed \$500,000 and are repayable in not more than 30 years at an interest rate based on the average rate paid by the U.S. Treasury on obligations of similar maturity. The rate for 1993 was 9.503 percent. As of December 1, 1993, the rate for new borrowers was 9.319 percent. As of September 30, 1993 there were 105 outstanding loans. The present unpaid principal is \$7.4 million. The workload in FY 1993 consisted of assisting borrowers and providing loan counseling to help local sponsors arrange funding necessary to implement planned financial assistance measures..

Program Assignments: Administrative leadership for this Program is assigned to the Soil Conservation Service. USDA area planning assistance as well as technical assistance for implementing the plan is provided by the Soil Conservation Service and Forest Service. The Forest Service provides assistance to councils and their resource committees as requested by individual councils. This is accomplished through state forestry agencies. In FY 1993 the Forest Service obligated \$590,661 in carrying out measures in 106 RC&D areas. The Extension Service provides arrangements for the State Cooperative Extension Service in selected RC&D areas to provide educational assistance to meet sponsors' special needs. The Farmers Home Administration is responsible for the loan provisions of the Program.

In addition, other USDA agencies and agencies from other departments provide assistance to RC&D sponsors within their existing authorities and programs on an "as needed" basis. State and local units of government and their agencies also participate. Thus, RC&D activities are broader than those created by assistance from this Department alone. An indication of the level of participation by USDA agencies in 1993 is as follows:

	<u>Technical Assistance</u>		<u>Financial</u>	
	<u>Net</u>	<u>Staff-</u>	<u>Assistance</u>	<u>Total Net</u>
	<u>Obligations</u>	<u>Years</u>	<u>Obligations</u>	<u>Obligations</u>
1993 Actual:				
SCS.....	\$30,144,520	520	\$2,048,298	\$32,192,818
RDA (Loan Ser.).....	60,000	2	--	60,000
FS.....	590,661	3	--	590,661
Total.....	<u>\$30,795,181</u>	<u>525</u>	<u>2,048,298</u>	<u>32,843,479</u>



## TYPES OF ASSISTANCE FURNISHED BY THE DEPARTMENT TO RC&amp;D AREAS

Technical Assistance: Technical assistance was being provided to 250 active authorized RC&D areas as of September 30, 1993. This assistance is in the form of staff days from USDA agencies, or is donated or purchased from other sources, to carry out the objectives and goals of a council. This includes help in carrying out studies to identify problems, needs, and the importance and availability of natural resources in the area. The SCS and other cooperating USDA agencies provide technical assistance which includes providing soils information, farm market analyses, wood utilization studies, and assistance needed by the sponsors to plan, layout and supervise installation of works of improvement described below in "Financial Assistance." Technical assistance provides for identifying other sources of assistance, determining probable impacts, and advising RC&D sponsors on actions to be taken.

Coordination and cooperation are essential in the planning process. The main form of technical assistance provided by USDA, through the SCS, is an RC&D Coordinator to assist sponsors in coordinating activities in the RC&D area plan.

Financial Assistance: Financial assistance is available, on a limited basis, from SCS to sponsors to implement measures for land conservation, water management, community development and other environmental elements. Sponsors of the measures must provide cost share matching funds. The total technical and financial assistance funds for the Resource Conservation and Development program obligated and equivalent staff-years used in 1993 by State were:

## 1993 RC&amp;D OBLIGATIONS BY STATE

State	Obligations	Staff Years	State	Obligations	Staff Years
Alabama	\$1,166,631	18	New York	\$679,437	13
Alaska	114,496	2	North Carolina	857,347	13
Arizona	625,844	10	North Dakota	867,820	12
Arkansas	840,997	16	Ohio	862,002	14
California	371,853	7	Oklahoma	837,414	14
Caribbean Area	309,675	6	Oregon	435,956	10
Colorado	742,001	15	Pacific Basin	115,500	2
Connecticut	255,507	4	Pennsylvania	689,064	12
Delaware	123,841	2	Rhode Island	124,003	2
Florida	356,432	3	South Carolina	395,631	8
Georgia	942,479	15	South Dakota	491,984	8
Hawaii	372,001	7	Tennessee	690,818	10
Idaho	726,866	13	Texas	1,476,558	18
Illinois	714,091	13	Utah	750,535	10
Indiana	734,624	13	Vermont	231,975	4
Iowa	857,991	17	Virginia	432,875	7
Kansas	609,993	12	Washington	384,291	6
Kentucky	888,279	13	West Virginia	728,708	11
Louisiana	471,001	8	Wisconsin	505,000	6
Maine	605,819	10	Wyoming	504,456	9
Maryland	245,999	5	National Technical		
Massachusetts	242,311	4	Centers	597,075	9
Michigan	759,369	12	National Hdqtrs	1,773,925	19
Minnesota	890,791	14	Total, Resource		
Mississippi	568,069	12	Conservation &		
Missouri	716,467	14	Development,		
Montana	735,004	10	SCS.....	32,192,818	520
Nebraska	398,001	5	Allocation		
Nevada	97,835	2	Accounts.....	650,661	5
New Hampshire	122,998	2	Total Resource		
New Jersey	223,476	5	Conservation &		
New Mexico	929,703	14	Development...	\$32,843,479	525

Loan Services Assistance: Funds are provided to the Rural Development Administration (RDA) to service loans made to sponsors from the Agricultural Credit Insurance Fund. Loan services must be provided from Resource Conservation and Development funds because the Agricultural Credit Insurance Fund of the RDA is not available for such expenses.

#### CURRENT PROGRAM STATUS

The RC&D program is responding to management recommendations identified in the program evaluation and councils are placing high priority on the more diversified activities in the area of rural development. It is expected that this emphasis will continue over the next several years.

Program Accomplishments: A total of 1,691 RC&D measures were completed in FY 1993. Of these, 207 were installed with financial assistance provided through the RC&D program, 1,213 with financial assistance from other sources as well as RC&D, and 271 without any financial assistance (only technical RC&D assistance, see table "National Summary of RC&D Measures.")

#### Selected Examples of Progress:

Completed measures totaled 1,691 in fiscal year 1993. There are certain types of measures that make up the majority of progress during the year. Fire protection is a concern in rural areas of the country and Resource Conservation and Development areas had 118 measures to provide either dry fire hydrants in rural areas or conduct studies regarding the feasibility and location of dry fire hydrants. These measures were accomplished in 20 states. Dry fire hydrants are a pipe that extends into a creek or lake and has threads that match the intake nozzle of a fire truck's pump. If the dry fire hydrants are used as part of a system that allows a fire department to prove to their state's independent insurance rating group that the fire department can deliver water to a fire anywhere in the rating area with the reliability of a city fire hydrant system, the area's fire rating can be reduced and save rural residents money in reduced insurance premiums.

As new technologies are developed and knowledge is gained, there is a need to convey the knowledge and techniques to rural people. During fiscal year 1993 there were another 118 measures in 31 states to conduct workshops and training sessions. These workshops involved such subjects as showing local officials how wooden timber bridges were constructed and maintained, helping loggers learn to work safely in the woods, teaching rural people leadership techniques to make them more effective leaders in their area, teaching farmers new farm technology such as utilizing "no-till" methods of raising crops and many others.

Water resources are an important natural resource as measured by 35 states having 192 Resource Conservation and Development program water resource measures in addition to the dry hydrants mentioned earlier. Forty eight of the measures were studies to determine solutions to problems. Some of the problems involve rehabilitation of irrigation systems, building flood protection measures, developing systems to allow aquaculture enterprises, and concerns about both surface and sub-surface water supplies.

## NATIONAL SUMMARY OF RC&amp;D MEASURES AS OF SEPTEMBER 30, 1993

	<u>ADOPTED</u>		<u>PLANNED</u>		<u>COMPLETED</u>		<u>AMOUNT</u>	
	FY93 TO DATE		FY93 TO DATE		FY93 TO DATE		FY93	TO DATE
Natural Resource								
Improvement.....	235	4,326	154	2,846	196	2,745	\$12,061	\$ 352,470
Community Improvement.	489	4,675	413	3,012	382	2,753	35,254	704,397
Recreation-Tourism....	281	3,164	192	1,839	162	1,777	7,753	319,861
Information-Education.	299	2,130	228	1,711	234	1,476	2,434	56,557
Forestry.....	256	2,542	194	1,800	211	1,615	13,248	191,225
Water & Water Quality.	248	3,062	179	1,785	141	1,556	7,876	299,965
Economic Development..	248	2,102	221	1,464	170	1,257	27,560	350,724
Fish and Wildlife.....	37	656	32	413	30	372	1,903	27,622
Marketing and								
Merchandizing.....	46	364	39	268	24	173	1,058	6,518
Waste and Waste								
Utilization.....	102	576	57	399	56	336	8,757	48,967
Other.....	141	17,111	56	15,567	85	13,422	1,445	2,200,651
TOTAL.....	2,382	40,708	1,765	31,104	1,691	27,482	\$119,349	\$4,558,957



### Passenger Motor Vehicles

Passenger motor vehicles of the Soil Conservation Service are distributed among 50 State Offices, Puerto Rico and Guam, 230 area offices, and various technical specialists located at field headquarters. None of these vehicles are used in Washington, D.C. Vehicles are used in rural and other areas where common carrier facilities are either non-existent, uneconomical, or inadequate. The nature of the travel requires a high degree of mobility with frequent stops at field offices, job sites, and other place not serviced by common carrier. Resident technicians servicing farmers and ranchers in conservation districts use pickup trucks rather than passenger vehicles.

Passenger motor vehicles are generally assigned to an office location and not exclusively to one individual. This allows several employees to rely on the use of a single vehicle, thus maximizing utilization, and minimizing the number of vehicles needed.

On September 30, 1993, the Soil Conservation Service had 1,800 passenger vehicles in a total fleet of 11,081 vehicles. The fleet includes pickup trucks, light trucks, jeeps, and heavy trucks.

Replacement of Passenger Motor Vehicles. The fiscal year 1995 estimates provide for the replacement of 400 passenger motor vehicles during the fiscal year. The vehicles proposed for replacement have been driven more than 60,000 miles or are more than 6 years of age or would be beyond economic repair due to accident or other causes.

SCS is continuing a sound and effective replacement program. During fiscal year 1993, 300 replacement vehicles were ordered and 121 replacements were received. Economy of operations and expected use factors are taken into consideration as well as prescribed age and mileage standards in planning replacements.

Age and mileage data for Soil Conservation Service passenger motor vehicles on hand September 30, 1993, are as follows:

<u>Model</u>	<u>AGE DATA</u>		<u>MILEAGE DATA</u>		
	<u>Number of Vehicles</u>	<u>Percent of Total</u>	<u>Lifetime Mileage (Thousands)</u>	<u>Number of Vehicles</u>	<u>Percent of Total</u>
1988 and older	796	44.2	80 to over 100	257	14.3
1989	213	11.8	60-80	388	21.6
1990	215	12.0	40-60	432	24.0
1991	219	12.2	20-40	341	18.9
1992	146	8.1	Under 20	382	21.2
1993	211	11.7	TOTAL	1,800	100.0
TOTAL	1,800	100.0			

# THE HISTORY OF THE UNITED STATES

The history of the United States is a story of growth and change. From the first settlers to the present day, the nation has evolved through various stages of development. The early years were marked by exploration and settlement, followed by a period of rapid expansion and industrialization. The American Revolution was a pivotal moment in the nation's history, leading to the establishment of a new government and the declaration of independence. The Civil War was another major event, which resulted in the abolition of slavery and the preservation of the Union. The Reconstruction period followed, as the nation sought to rebuild and reunite itself. The late 19th and early 20th centuries saw significant economic growth and technological advancement, leading to the emergence of the United States as a world power. The 20th century has been characterized by social and political changes, including the Civil Rights Movement and the Vietnam War. The nation continues to evolve and grow, facing new challenges and opportunities in the 21st century.

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WEDNESDAY, MARCH 9, 1994.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

### WITNESSES

EUGENE MOOS, UNDER SECRETARY FOR INTERNATIONAL AFFAIRS  
AND COMMODITY PROGRAMS

GRANT B. BUNTROCK, ADMINISTRATOR, AGRICULTURAL STABILIZA-  
TION AND CONSERVATION SERVICE

DAVID C. HALL, DIRECTOR, BUDGET DIVISION, AGRICULTURAL STA-  
BILIZATION AND CONSERVATION SERVICE

STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRI-  
CULTURE

Mr. DURBIN. I'd like to call on Mr. Moos and his cohorts to come up and enlighten us.

Good morning. I want to welcome the Agricultural Stabilization and Conservation Service. Gene Moos, the Under Secretary for International Affairs and Commodity Programs, is an old friend and we're certainly glad to see him here today. Also at the table is Grant Buntrock, the Administrator of ASCS; David Hall, the Director of the Budget Division; and the trusty Stephen Dewhurst.

Mr. Moos, your statement will be made part of the record. We invite you and the panel to highlight it, and tell us a little bit about your interest in next year's budget.

### UNDER SECRETARY'S OPENING STATEMENT

Mr. MOOS. Thank you very much, Mr. Chairman, it is a real privilege and an honor to appear before you in this capacity. I look forward to working with you.

I am here to discuss with you the 1995 budget and the program proposals for the ASCS and the Commodity Credit Corporation, as well as the proposals for a new Farm Service Agency.

I have with me as well my Deputy Under Secretary for Commodity Programs, Dallas Smith, who is heading up this effort within our office to organize the new Farm Service Agency.

So I want him to be available for any questions you might have on the Farm Service Agency, and as you know, Mr. Buntrock has prepared a statement and we will hear from him in a moment, as well.

The President's budget for fiscal year 1995 proposes some reductions in order to meet the tight spending caps agreed to in last year's budget agreement, while also supporting a few new initiatives in high priority areas.

The budget for ASCS reflects this situation. Aside from our crop insurance reform proposal which will remove the need for ad hoc disaster assistance by providing free protection from catastrophic



losses for farmers, there are no new legislative proposals in the budget to change the farm programs.

I understand we will have a separate hearing later this month to discuss the crop insurance issue.

As you know, ASCS has made a tremendous effort to provide disaster assistance for the producers affected by the Midwest floods in 1993, and the other natural disasters around the country.

A return to more normal weather and enactment of our crop insurance proposal could moderate the acute and unpredictable workload burden placed on ASCS by large-scale ad hoc disaster assistance programs.

The budget assumes the passage of legislation to authorize reorganization of the Department. The proposed reorganization includes formation of a new Farm Service Agency which, as you know, would combine the farm credit programs of the Farmers Home Administration, and the Federal Crop Insurance Corporation, with the present ASCS operation.

Conservation cost-share programs would be shifted to a new Natural Resources Conservation Service. The reorganization is intended to both reduce costs and improve service to our clients.

Our testimony today, however, has been drafted based on current law. Hopefully next year we will be testifying based on the new organizational structure.

The budget request does, however, assume savings from reorganization. Therefore our request for ASCS salaries and expenses is below the comparable 1994 level, and some employee reductions are reflected in the budget.

The budget includes an increase for the Wetlands Reserve Program to enroll an additional 300,000 acres in the program, to support the Administration's wetland plan which is a very high priority in the Administration.

On the other hand, to stay within the tight budget caps, we are proposing some reduction in funding for some of our other conservation cost share programs.

We expect the Commodity Credit Corporation's 1994 and 1995 net outlays for farm programs to decline modestly. Net outlays by CCC in fiscal 1995 are projected to be about \$9 billion, substantially below the fiscal 1993 level of \$16 billion.

Signup for the 1994 programs has begun. The Secretary has announced modestly higher price support loan rates, which, combined with 50 percent advance deficiency payment rates, will help producers with the cash flow to finance and market adequate supplies.

Aside from cotton, we have set the acreage reduction programs for all the basic crops at zero percent.

These steps should help farmers recover from the effects of the flooding and the other problems which reduced production in 1993.

This concludes my introductory remarks, Mr. Chairman, and I would be pleased to answer all questions you may have before or after Mr. Buntrock presents his statement.

Mr. DURBIN. Thank you, Gene. Mr. Buntrock, your statement will also be made part of the record, if you would like to highlight at this point.

## ASCS OPENING STATEMENT

Mr. BUNTROCK. Thank you, Mr. Chairman. I will make a brief summary of my statement. Mr. Moos has covered a lot of it.

I want to say to the Chairman and members of the Subcommittee that I am pleased to present this fiscal year 1995 budget for the Agricultural Stabilization and Conservation Service. This is my first appearance before this committee, and I appreciate the opportunity to be here today.

I would simply highlight the budget requests for this agency, which fall into three basic areas—the conservation programs, the Commodity Credit Corporation, and, of course, the administrative support.

The budget assumes, of course, the passage of legislation which would authorize the Secretary's proposed reorganization of the Department.

On conservation, first, I would like to call your attention to a change in the manner in which the requests are presented this year. All ASCS conservation programs that are supported by the Soil Conservation Service's technical assistance have traditionally included the funding for that technical assistance in the program request. However, for the 1995 budget, those requests would exclude the technical assistance funding from these program accounts. This is one of the first steps toward the realignment assumed under the Secretary's reorganization proposal that you will be seeing.

Now, for the Conservation Reserve Program, the current enrollment stands at 36.4 million acres, which was reached in 1992. In accordance with congressional direction, signup has not been held in 1993 or 1994. The Omnibus Budget Reconciliation Act of 1993 has established an enrollment target of 38 million acres; however, the President's budget proposes capping the enrollment at the current level.

In 1994, we are making payments due on previously enrolled acreages—\$1.8 billion for rental payments, and \$14.5 million for establishing vegetative cover.

In 1995, funding needs for rental payments will remain constant, while cover costs will decline to about \$3.5 million. The increase of \$8.9 million in the appropriation request for 1995 is needed to offset a lower unobligated balance that is expected to be brought forward at the beginning of the year.

For the Wetlands Reserve Program, as Mr. Moos indicated, signup began February 28th, and will run through March 11th in 20 states, with an enrollment target of 75,000 acres which would bring the total enrollment to about 125,000 acres.

For 1995, the budget requests \$240.9 million to expand this program nationwide and sign up an additional 300,000 acres, for an estimated cumulative enrollment of 425,000 acres by the end of 1995.

The increase of \$174.2 million over 1994 funding levels would make possible an important contribution both to implementing the Administration's comprehensive wetlands policy announced in August of 1993, and also to reaching the enrollment minimum of



975,000 acres by the end of calendar year 2000 as required by the Omnibus Budget Reconciliation Act of 1993.

For ACP, the Agricultural Conservation Program, the 1995 request of \$100 million is a decrease of about \$95 million from 1994, and would place additional emphasis on the ongoing effort to fund the highest priority practices. This level would provide \$74 million for annual agreements, \$10 million for long-term agreements, and \$15 million for the water quality incentive program.

For the Emergency Conservation Program, just last month Congress provided a supplemental of \$25 million, and we have allocated \$18 million of that to the States as of March 3rd. The \$3 million that we requested for 1995 would cover small scale disasters, and permit the Agency to begin a prompt, initial response to a more extensive incident that might arise.

Under other conservation programs, the 1995 budget proposes to fund Water Bank agreements and Colorado River Basin Salinity Control cost-sharing at approximately the same levels as 1994. The Forestry Incentives Program, however, would decrease from \$12.8 million in 1994, to \$6.6 million in 1995.

Now, turning to the Commodity Credit Corporation, fiscal year 1994 outlays for the Commodity Credit Corporation generally relate to 1993 crops. Net 1994 outlays are projected at \$12.1 billion, a decrease of \$3.9 billion from 1993 due to higher crop prices, some legislative changes, and lower export guarantee claims.

For fiscal year 1995, outlays are expected to decline further to \$9 billion, reflecting improvements in the market prices for many commodities, reduced disaster payments and lower estimated export guarantee claims.

Mr. Chairman, we appreciate the efforts of this committee in addressing the Corporation's funding needs and thank the Committee for its clarification last year regarding the availability to CCC of a prior year's appropriation. The Committee's action avoided the need for a reappropriation of \$2.9 billion.

The 1995 budget reflects an estimated appropriation need of \$15.5 billion to reimburse CCC for its losses. This is a decrease of \$2.5 billion from the fiscal year 1994 reimbursement.

The \$15.5 billion appropriation is necessary to continue to decrease the balance of unreimbursed CCC losses. Cumulative unreimbursed realized losses are estimated to decrease to \$19 billion by the end of fiscal year 1994, and to about \$12.5 billion at the end of fiscal year 1995, given an appropriation at our requested level.

Also I would like to point out two appropriation language changes proposed in the CCC budget. One would delete the minimum export credit program levels from existing language since those program levels are specified in the FACT Act of 1990, and one would increase the spending cap for hazardous waste management costs from \$4 million to \$5 million based on a higher than expected operations and maintenance cost for CCC's hazardous waste management program.

In the area of administrative support, our total request of \$795.1 million for fiscal year 1995 includes \$75.9 million for automated data processing services and equipment historically funded by the Commodity Credit Corporation. The remainder of the request, which comprises regular salaries and expenses funding comparable



to the 1994 appropriation, is \$719.2 million, a decrease of \$11.7 million from the 1994 level.

This is a tough budget reflecting employment reductions, and full absorption of locality pay as well as inflation for almost all expenditures. Consistent with Executive Order 12837, it also includes a three percent cut in certain categories of administrative expenses.

For Federal employment, the Federal budget shows a reduction of 90 staff years, from 3,264 in 1994, to 3,174 in 1995. County office employment would decline by 2,290 staff years, from 14,850 in 1994 to 12,560 in 1995. This county office reduction includes a decrease of 1,412 staff years for disaster activity that is not anticipated in 1995.

Under the Administration's proposed reorganization plan, the salaries and expenses account of ASCS would be divided into three components for transfer along with activities they support—part to the new Farm Service Agency, part to the new Natural Resources Conservation Service, and the other part to the National Appeals Division.

Mr. Chairman, this concludes my remarks, and I would be happy to answer any questions that you or the members of the Committee may have.

[CLERK'S NOTE.—A biographical sketch of Mr. Runtrock appears on page 355. The Administrator's statement appears on pages 356 through 371. The explanatory notes for ASCS appear on pages 372 through 507. The explanatory notes for CCC appear on pages 508 through 578.]

#### CONTRACT EMPLOYEES

Mr. DURBIN. Thank you, Mr. Buntrock. You've given us some information about changes in FTEs, and you may have been in the audience when I asked the previous witness about contract employees. Can you tell us the number of contract employees in your agency?

Mr. BUNTROCK. Mr. Chairman, I understand that in ASCS, if we relate the total dollars spent for contracting, it would convert to approximately 220 employees equivalent, but I want to clarify, Mr. Chairman, the type of contracts that I am talking about. I'm talking about contracts that generally involve our automation systems where we contract out for the technical assistance. These contracts also include such things as snow removal in Kansas City and things like that. In other words, while you can translate this to 220 employees, it is primarily the type of employment that you normally would not staff for on a full-time basis, but on an as-needed basis.

#### CONSERVATION RESERVE PROGRAM

Mr. DURBIN. OK. We're going to get into crop insurance at a later hearing, and I welcome that opportunity because I think the Administration has made a good proposal that we can discuss and build on. So I won't go into it here, but I do want to talk about CRP for a moment. The program, as proposed in your budget request, will not have any signups in fiscal year 1995. Let me ask you a question or two here.

We face a real problem trying to figure out what to do with this program—36½ million acres could conceivably come back into production very shortly. Do you anticipate recommendations from the Department in the near future about what to do with CRP?

Mr. MOOS. Mr. Chairman, I am convinced that the Secretary will agree to recommending an extension of CRP. The question is how large a program and whether new terms and conditions will be introduced into the program. Of course, that will be a function of the authorizing committee's decision as the farm bill deliberations move through the Congress.

The Secretary is strongly of the opinion that there are highly erodible lands out there that need to remain in some form of a conservation program, so we will be recommending that those kinds of lands, at the very least, be continued in this program.

[Additional information follows:]

ASCS is currently developing analyses concerning the CRP. Neither ASCS nor an informal work group established to work on the alternatives for the future of CRP has made a formal presentation. We anticipate that in the near future issues and analyses will be completed and policy decisions can be made concerning the extension of CRP or alternative programs.

Mr. DURBIN. Under Secretary Moos, over the years we have established different standards for land brought into this program, and one might argue that in the early years the most highly erodible land was being brought in with the establishment of certain standards, such as T-standards, and then as the program progressed and as time passed, less erodible acreage was brought into the program.

Would you agree with that conclusion?

Mr. MOOS. I might say that in the early signups, I think the program was still in a learning curve, and there was more concentration on the rental rates per acre than on the conservation threats of the particular land.

It is my feeling that as we had more experience with that program during the intervening years, we have been able to tighten up the criteria of that program to direct it more at the highly erodible lands.

Mr. DURBIN. Let me ask you this. A GAO study of this program concluded that the Federal government, and USDA in particular, might not be getting the most bang for the buck by dealing on a rental basis.

They suggested that perhaps moving towards some type of permanent easement on the most highly erodible land would not only be in the best conservation interest, but in the best interest of taxpayers using their scarce dollars in a very wise way.

Can you tell me what your reaction is?

Mr. MOOS. Well, I think that needs to be examined very closely, and if the financial support is there in the budget for that kind of program, it certainly ought to be considered.

Mr. DURBIN. That would make it more analogous to the Wetlands Reserve Program.

Mr. MOOS. Yes, exactly.

Mr. DURBIN. Under CRP, a farmer signs a 10- to 15-year contract with USDA to take eligible land out of production and put it into a cover crop. The farmer also has the option to enter a 15- to 30-

year useful life easement agreement. Would you tell the Committee what this type of agreement is and how many exist under the program?

Mr. BUNTROCK. The Conservation Reserve Program easement is an easement agreement whereby the landowner grants to Commodity Credit Corporation temporary land use rights and interest in the property with certain rights reserved for the landowner for the duration of the easement contract. The purpose of the easement is to conserve, protect, and maintain the natural resource base, improve water quality, flood water retention, groundwater recharge, and enhance wildlife habitat as specified in the Conservation Plan of Operation developed for the easement area. During the tenth signup easements were required on certain types of land that was offered, and 13,202 acres of easements were contracted. Beginning with the 11th signup easements were no longer required.

I can submit for the record a table showing the easement acres contracted by practice, which may vary from acres actually under contract at any given point in time due to contract cancellations, modifications, and reporting errors.

[The information follows:]

*CRP 10th Signup Cover Practices With Required Easements*

<i>Practice</i>	<i>Acres</i>
CP4 wildlife plantings .....	8,678
CP5 field windbreaks .....	480
CP8 waterways .....	353
CP13 filter strips .....	1,839
CP15 contour grass strips .....	235
CP16 shelterbelts .....	203
CP17 living snow fences .....	18
CP18 salt tolerant vegetation .....	1,396
Total .....	13,202

**BID CAP**

Mr. DURBIN. A bid cap is calculated for each bid on its environmental and management conditions. Does a farmer know what this bid cap is before he or she submits or accepts a bid?

Mr. BUNTROCK. Historically, the bid cap for the Conservation Reserve Program was calculated only after the bid had been submitted and was not released to the public. The bid cap for the tenth through the twelfth signups was based on comparable rental rates for sites with similar environmental conditions and the costs associated with the establishment and maintenance of vegetation.

Mr. DURBIN. Of the total number of bids accepted into the program, how many were under the bid cap, at the bid cap, and over the bid cap?

Mr. BUNTROCK. A total of 535,221 bids were submitted of which 375,309 were at or below the bid cap. A total of 159,912 bids, or about 30 percent were rejected.

**TRANSFER TO ECP**

Mr. DURBIN. The project statement table shows a transfer of \$31.4 million to the Emergency Conservation Program in fiscal year 1993. What was this for?



Mr. BUNTROCK. The \$31.4 million in unobligated CRP funds transferred to the Emergency Conservation Program was used to provide assistance to agricultural producers for restoring damaged farmland in areas impacted by Hurricanes Andrew and Iniki, and Typhoon Omar.

#### CARRYOVER BALANCES

Mr. DURBIN. Please update the table that appears on page 610 of last year's hearing record showing the carryover unobligated balances to include fiscal year 1993 and estimates for fiscal year 1994.

Mr. BUNTROCK. We will submit the updated table for the record. [The information follows:]

#### *Conservation Reserve Program—Carryover unobligated balances, fiscal years 1986–93*

<b>Fiscal year:</b>	<i>Carryover balance</i>
1986 .....	( <sup>1</sup> )
1987 .....	( <sup>1</sup> )
1988 .....	\$794,282,776
1989 .....	1,149,617,269
1990 .....	647,502,996
1991 .....	320,374,550
1992 .....	272,198,054
1993 .....	131,002,896
1994 estimated .....	55,531,397

<sup>1</sup> Conservation Reserve Program payments were authorized to be made directly from Commodity Credit Corporation funds in fiscal years 1986 and 1987. There was no appropriation made for the program in these fiscal years.

Mr. DURBIN. Also, would you update the table that appears on the next page to reflect the actual enrollment to date.

Mr. BUNTROCK. I will submit that for the record as well. [The information follows:]

CONSERVATION RESERVE PROGRAM  
Acres by State

STATE	CRP ACRES CONTRACTED (SIGNUPS 1-12)	TOTAL ELIGIBLE CROPLAND 1/
<b>TOTAL</b>	<b>36,422,772</b>	<b>422,966,400</b>
Alabama	573,190	4,209,700
Alaska	25,348	125,000
Arizona	0	1,306,300
Arkansas	260,006	8,181,700
California	187,499	10,208,500
Caribbean Area	455	425,800
Colorado	1,978,390	10,967,300
Connecticut	10	238,500
Delaware	995	521,300
Florida	134,860	3,591,600
Georgia	706,459	6,306,600
Hawaii	85	347,500
Idaho	877,059	6,531,700
Illinois	811,926	25,121,100
Indiana	462,649	13,930,300
Iowa	2,224,818	27,030,900
Kansas	2,937,863	29,118,800
Kentucky	451,317	5,817,700
Louisiana	146,571	6,484,200
Maine	38,490	943,300
Maryland	20,392	1,794,500
Massachusetts	32	290,800
Michigan	332,853	9,483,800
Minnesota	1,928,932	22,990,000
Mississippi	841,826	7,078,200
Missouri	1,726,835	15,089,500
Montana	2,854,307	17,880,700
Nebraska	1,425,407	20,600,800
Nevada	3,123	888,500
New Hampshire	0	163,300
New Jersey	723	672,500
New Mexico	483,181	2,296,500
New York	64,498	5,774,100
North Carolina	151,008	6,548,200
North Dakota	3,180,569	28,063,500
Ohio	377,089	12,537,200
Oklahoma	1,192,504	11,557,300
Oregon	530,766	4,347,700
Pennsylvania	101,078	5,774,200
Rhode Island	0	21,700
South Carolina	278,071	3,371,200
South Dakota	2,120,255	17,819,000
Tennessee	475,605	5,764,600
Texas	4,150,485	31,943,800
Utah	233,978	2,001,700
Vermont	193	653,300
Virginia	79,556	3,308,900
Washington	1,047,029	7,758,100
West Virginia	618	1,052,700
Wisconsin	746,586	11,670,500
Wyoming	257,280	2,361,800

1/ All cropland is eligible for enrollment in the CRP. However, there is a 25 percent enrollment limit per county. Also, any cropland enrolled in the CRP must have a 2- to 5-year cropping history and have the same ownership for 3 years.

Mr. DURBIN. Why wasn't there any enrollment in fiscal year 1990?

Mr. BUNTROCK. No signup was held in fiscal year 1990 because ASCS decided to await passage of the 1990 Farm Bill for long-term guidance from Congress on the direction of the program before enrolling additional acres into the Conservation Reserve. The FACT Act was signed into law on November 28, 1990.

Mr. DURBIN. Provide a table for the record showing the number of acres planted in trees, wildlife plantings, native grasses, and other grass species.

Mr. BUNTROCK. I will be glad to provide that information for the record.

[The information follows:]

*CRP Acreage by Type of Cover*

<i>Vegetation</i>	<i>Acres Planted</i>
Trees (CP3, and CP14) .....	2,404,589
Wildlife Planting (CP4) .....	1,972,563
Native Grass (CP2) .....	8,459,343
Tame Grass (CP1) .....	21,385,848

Mr. DURBIN. Please update the table that appears on page 615 of last year's hearing record showing the CRP signup periods, the eligibility criteria used, and the number of acres enrolled to reflect actuals.

Mr. BUNTROCK. I will provide that for the record too.

[The information follows:]



## CRP SIGNUP PERIODS AND ELIGIBILITY CRITERIA

SIGN-UP NUMBER	DATES	CRITERIA	ACRES CONTRACTED
1	March 3-14, 1986	A and B	753,668
2	May 5-16, 1986	A and B	2,771,660
3	August 4-15, 1986	A, B, and C	4,703,379
4	February 9-27, 1987	A, B, C, and D	9,478,599
5	July 20-31, 1987	A, B, C, and D	4,442,719
6	February 1-19, 1988	A, B, C, D, E, and F	3,375,364
7	July 18-31, 1988	A, B, C, D, E, and F	2,604,901
8	February 6-24, 1989	A, B, C, D, E, F, and G	2,462,382
9	July 17-August 4, 1989	A, B, C, D, E, F, and G	3,329,893
10	March 4-15, 1991	A, B, C, D, E, F, and H	475,175
11	July 8-19, 1991	A, B, C, D, E, F, and H	998,211
12	June 15-26, 1992	A, B, C, D, E, F, and H	1,027,444

A Land capability class 6 - 8

B Land capability class 2 - 5 with predicted average annual erosion rate of greater than 3T

C Land capability class 2 - 5 with predicted average annual erosion rate of greater than 2T and with gully erosion

D Land with EI greater than 8 and predicted average annual erosion rate of greater than T

E Land for filter strips alongside wetlands, streams, or other water bodies

F Land for tree planting - eligible when 1/3 of field meets criteria A or Class 2 - 5 soil with predicted average annual erosion rate of greater than 2T

G A field on which 1/3 or more shows evidence of scour erosion.  
Wetland, as follows:

- cropped wetland of at least 6 acres
- a field of which 1/3 or more is cropped wetland
- a field of 6 to 9 acres on which wetlands are present.

Water Bank contracts entered into after 1982 if they meet any of above requirements.

H Cropland contributing to a water quality problem including fields with evidence of scour erosion and fields in special emphasis watersheds. Cropland having special environmental problems or contributing to significant environmental problems relating to water quality or soil erosion that are made subject to useful life easement. Wetland acres are no longer eligible for CRP.

Mr. DURBIN. Also update both tables that appear on the next page showing the technical assistance costs and ASCS administrative costs to reflect actuals.

Mr. BUNTROCK. Those will also be provided for the record.  
[The information follows:]

**CONSERVATION RESERVE PROGRAM -- TECHNICAL ASSISTANCE COSTS, FIRST  
THROUGH 12TH SIGN-UP**

Signup	<sup>1</sup> SCS costs	FS costs	ES costs	Total
1.....	\$924,195	\$737,159	\$25,420	\$1,686,774
2.....	3,316,372	1,079,000	.....	4,395,372
3.....	535,716	1,471,000	.....	2,006,716
4.....	<sup>2</sup> 10,680,458	3,121,170	.....	13,801,628
5.....	5,794,721	1,476,766	.....	7,271,487
6.....	<sup>3</sup> 3,759,822	2,220,921	.....	5,980,743
7.....	3,731,345	979,172	.....	4,710,517
8.....	<sup>4</sup> 9,951,449	1,148,885	.....	11,100,334
9.....	13,030,421	1,233,090	.....	14,263,511
10.....	<sup>5</sup> 4,177,437	<sup>6</sup> 577,113	.....	4,754,550
11.....	<sup>7</sup> 5,187,415	448,504	.....	5,635,919
12.....	9,096,691	1,142,186	.....	10,238,877
Total.....	\$70,186,042	\$15,634,966	\$25,420	\$85,846,428

<sup>1</sup> Includes \$5,051,363 in FY 1993 SCS technical assistance costs for maintenance on previously established acreage pro-rated on an acreage basis over the first through twelfth signup.

<sup>2</sup> Excludes transfer to SCS of \$20 million from CCC provided in the FY 1987 Supplemental Appropriations Act.

<sup>3</sup> Excludes transfer to SCS of \$45.24 million from CRP provided in the FY 1988 Appropriations Act.

<sup>4</sup> Excludes transfer to SCS of \$61.46 million from CRP provided in the FY 1989 Appropriations Act.

<sup>5</sup> Includes recovery of \$384,800 from SCS in FY 1992 for overpayment of SCS technical assistance during the tenth CRP signup.

<sup>6</sup> Includes recovery of \$109,816 from FS in FY 1992 for overpayment of FS technical assistance during the tenth CRP signup.

<sup>7</sup> Includes recovery of \$318,200 from SCS in FY 1992 for overpayment of SCS technical assistance during the eleventh CRP signup.

Note: Recoveries noted above resulted from differences in preliminary acreage enrollment data versus final acreage enrollment data.



## ASCS ADMINISTRATIVE COSTS FOR CRP SIGNUPS

Fiscal Year	Signup number	Total administrative cost
1986.....	1,2, and 3.....	\$4,921,240
1987.....	4 and 5.....	9,686,301
1988.....	6 and 7.....	10,246,509
1989.....	8 and 9.....	7,219,082
1990.....	.....	--
1991.....	10 and 11.....	6,713,286
1992.....	12.....	5,457,261
1993.....	.....	--
Total.....	.....	44,243,679
Average Cost per Signup.....	.....	3,686,973

Note: The administrative costs shown reflect only activities associated with accepting CRP signup bid applications. The costs do not include subsequent time spent preparing CRP rental and cost-share assistance payments and related workload.

Mr. DURBIN. The appropriation language proposed for both the Conservation Reserve Program and the Wetlands Reserve Program for fiscal year 1995 prohibits the use of funds for salaries and expenses. Who will administer the programs and how will the cost of these employees be paid?

Mr. BUNTROCK. The appropriation language changes you are referring to are intended to ensure that no salaries and expenses, including technical assistance funding, is paid from the amounts appropriated for these programs. The Conservation Reserve Program will be administered by the proposed FSA, and the Wetlands Reserve Program, by the proposed NRCS. Administrative costs and technical assistance will be covered by the appropriate account of the administering Agency.

#### WETLANDS RESERVE PROGRAM

Mr. DURBIN. All right, let's talk about the Wetlands Reserve Program for a moment. The philosophy of this subcommittee and the Department has been different when it comes to building this program.

We perhaps have been a little more conservative in our approach, and what you are recommending for the next year is a pretty radical departure from our past history. Over the last several years we have tried to take a gradual, prioritized approach to wetlands reserve.

As I read the recommendation of the Administration, you are proposing to add 300,000 acres to the existing 125,000 acres in the program.

We get a little nervous up here at that proposal for fear that we will lose sight of the need to prioritize and to focus on those acres that are most important for the ecosystem.

If we really open this program up, I am fearful, as was with the Conservation Reserve Program, that we will be enrolling acres that really are low priority, in an effort to hit the 300,000 target, and beyond.

Tell me what your view is of the approach that we have taken over the last several years, specifying certain numbers of states and numbers of acres, in an effort to prioritize our spending?

Mr. MOOS. I'm going to call on our Administrator to complement what I'm saying here, but my own view is that this is a very high priority program in terms of the Administration's interest, as I indicated in my opening remarks, and there is a great feeling that we haven't made enough progress in terms of the total number of acres that we have enrolled in this wetlands program.

I think we still need to be very, very careful in establishing our criteria because we're talking about some very high rental rates for permanent easements.

Mr. BUNTROCK. To add to what the Under Secretary has said, I might review just a little bit for the Chairman some of the past experiences on the Wetlands Reserve Program.

As you know, this program was first offered in 1992. I think we have learned from the experiences that we had then.

Of course, the Wetlands Reserve Program, as you indicated earlier, places a permanent easement on the land, as opposed to a period of years, and this land of course will include existing cropland.

To some degree it will include non-crop land, but it will primarily restore those wetlands that have been converted to cropland to bring them back to their natural state.

So it has that aspect to it.

We have, I think, learned some things. We have set up criteria that I think are going to be very meaningful in evaluating the benefits that we get for the money spent in this particular program.

To give you an example of what I'm talking about, in the initial 1992 signup, when you combined the easement cost plus the conservation practice cost, we were running in excess of \$800 per acre.

We had approximately \$8 million left over from that pilot program after some accepted bids were cancelled. We reallocated the money to the States to accept the next highest environmentally ranked offers, and what we wound up with is something in the neighborhood of \$469-some per acre.

The point here is that as we go along and refine this program, to make certain that we get the most environmental benefit that we can for the least money through our efforts to prioritize the offers that we get.

If you compare, for example, the CRP where we average about \$50 per acre per year over a 10-year period, you've got costs of about \$500 per acre, compared to the Wetlands Reserve Program, where in this latest go-around we signed up about 16,000 acres at \$469 an acre.

Mr. DURBIN. If I could interrupt you for a second, but the justification for the increase you're asking for speculates that we will be spending \$803 an acre for new acreage brought into the program.

Mr. BUNTROCK. Yes.

Mr. DURBIN. Now you are telling us it is really \$469.

Mr. BUNTROCK. Well, Mr. Chairman, let me make certain that I'm clear in what I said. Our initial cost in the nine states that we went into for the 1992 program did run a little over \$800 per acre.

At the time that we put the President's budget together in January, that's the number that we were using. Since that time, we have gone out with some unobligated 1992 money and with some new kinds of provisions that we have put in place, and have had lower costs.

Now, I am not suggesting here today that we're going to average \$469 an acre on the Wetlands Reserve Program. What I am suggesting is that we can possibly do better than the 800-some dollars.

Mr. DURBIN. Are you suggesting that you don't need \$240.9 million to hit the 300,000 acre target for the administration?

Mr. BUNTROCK. At this time I am not ready to say that, but I am suggesting the possibility.

Mr. DURBIN. You are losing me here.

Mr. BUNTROCK. Yes.

Mr. DURBIN. You are asking this subcommittee for \$240.9 million to add 300,000 acres, estimating that you will spend a little over \$800 an acre, and you are telling me the good news is you are getting the cost down to \$469 an acre, but you still need the same amount of money.

Mr. BUNTROCK. Well, let me clarify, Mr. Chairman.

Mr. DURBIN. Please.



Mr. BUNTROCK. At the time the request for the 300,000 acre level was placed in the President's budget, we were using a figure of 800-some dollars an acre. I don't want to imply to this Committee today that we're going to wind up with overall Wetlands Reserve costs at this later figure of \$469. That was simply the tail-end of some bids that were offered, a minimum number. Again what we did was reallocate approximately \$8 million in nine States for wetlands with a high environmental ranking. Our cost for those particular contracts came in at \$469 per acre, but I am not suggesting that if we go out into 50 states we are necessarily going to come in at that figure on a nationwide basis.

I was mentioning this not to question the numbers that we put in the budget, but simply to point out that in certain areas, in limited states, we may be able to do better. Right now I would not want to imply that the budget number is too high.

Mr. DURBIN. Let me say that I think perhaps the number that we discussed and the number that is generally used is going to be the inspiration for both the Administrator of the program and the farmers trying to get into it.

If they think we're dealing at a \$500 an acre level, they are going to view this program a lot differently than at \$800 an acre. I hope that we are getting—again going back to what the subcommittee said earlier, I hope we are putting the money into the most important acres, as opposed to trying to get the cheapest ones or the most expensive ones.

I really hope that the prioritization you talked about is in place because I am fearful if it is not, there will be exploitation of this program where we will be signing up acreage that is marginally important in an effort to reach some mystical goal.

I really would hope that our goal is environmental as opposed to numbers of acres enrolled, and that I think would make a real difference.

Under the Wetlands Reserve Program—WRP—contracts can be entered into with landowners on land adjoining CRP land. Since WRP contracts are permanent easements and CRP contracts expire after 10 or 15 years, what happens when the CRP land goes back into production?

Mr. BUNTROCK. CRP land is eligible for WRP under certain conditions, and whether the land adjoins WRP land is not one of those conditions. A landowner would have to apply for WRP, meet all eligibility requirements and be willing to grant a permanent easement on the land. Once the land is enrolled in WRP, the CRP contract for that portion of the land is terminated and no further CRP payments are earned. Production of agricultural commodities is not a compatible use for WRP land, therefore the land could not return to agricultural production.

Mr. DURBIN. The program was first funded in fiscal year 1992 as a pilot program at a level of \$46.4 million. At the end of this first year there was an unobligated carryover balance of \$43.3 million. The program did not receive funding in fiscal year 1993 pending the results of the pilot program. At the end of fiscal year 1993 the unobligated carryover balance was \$35.7 million. Why is it taking so long to obligate funds? What can be done to assure that the majority of funds are spent in the same year they are appropriated?

Mr. BUNTROCK. During the 1992 pilot program funds were not considered legally obligated until an easement was filed. Individual bids went through several stages before they were regarded as finally accepted and ready for filing of an easement.

A Wetlands Reserve Plan of Operation describing the restoration to be conducted on the land had to be developed by SCS and FWS. This initial process took up to 90 days. The landowner then submitted a bid amount he or she was willing to accept in payment for granting an easement. This data was then transmitted to Washington to be evaluated for eligibility and cost-effectiveness.

After the landowner was notified that the bid was acceptable, the technical agencies had an additional 120 days to complete the final implementation plan which detailed all restoration work to be done on the easement area. During this 120 days the landowner was obtaining any subordination agreements necessary for ASCS to receive a clear interest in the land. During the pilot program there was no established deadline for filing the easement. A deadline has now been established for filing easements on bids accepted under the pilot program.

Two processes have been implemented for the second signup to prevent unobligated funds. Landowners are required to reaffirm their interest in participating in WRP both at notification of ranking status and at completion of the appraisal process. Funds will be obligated when the appraisal is completed and the landowners affirms continued interest. In addition, all easements must be filed within 12 months from the end of signup.

Mr. DURBIN. The program received an additional \$66.7 million in fiscal year 1994. Do you expect to obligate the entire \$102.4 million available during fiscal year 1994?

Mr. BUNTROCK. Based on indications of interest during the 2-week second signup period ending March 11, we expect to obligate the \$66.7 million funded in fiscal year 1994. By establishing an easement filing deadline of March 10, 1995, for all second signup intentions, carryover unobligated balances should be minimized. We do expect to fully obligate the pilot program funding during fiscal year 1994.

Mr. DURBIN. Each WRP bid will be evaluated at the National level to determine whether it meets a minimum environmental benefit threshold. Please describe this threshold.

Mr. BUNTROCK. The environmental benefit threshold is based on the site specific environmental conditions as determined by the designated technician conducting an on-site inspection.

Mr. DURBIN. Excluding the reimbursement to SCS for technical assistance, the cost of the fiscal year 1992 pilot program averaged about \$805 per acre. Report language included in the fiscal year 1994 appropriations bill directed the Secretary to explore ways to lower the cost per acre enrolled in the program and improve the overall cost-effectiveness of the program. The average cost per acre in the 1994 program and the budget request for 1995 is \$803 per acre. Is this the most cost-effective funding level?

Mr. BUNTROCK. Many of the best wetlands are located in areas of relatively high land value. Though the Department has taken numerous steps to reduce the per acre cost of the program it may be necessary to maintain per acre funding at current levels in order

to ensure that the acreage which is enrolled provides substantial environmental benefits. We will provide for the record a list of proposed actions to lower the per-acre cost in 1994 and to improve the overall cost-effectiveness of the program.

[The information follows:]

#### WRP COST REDUCTION MEASURES

Established a mechanism to include only the agricultural use value and exclude the development value in determining the fair market value of each easement—use certified appraisers to determine the value based solely on agricultural use.

Eliminated any allowances for additional economic considerations, such as establishing and maintaining the required wetland practices, when determining an acceptable payment level for an easement—includes only the agricultural use value determined through the certified appraisal.

Established a maximum per-acre value at the State level above which an easement will not be accepted, irrespective of its agricultural use and environmental value. Each State Agricultural Stabilization and Conservation (ASC) Committee has established a maximum easement value for its State, subject to the approval of the Deputy Administrator for State and County Operations (DASCO), ASCS.

Established a cost share limit of no more than 50 percent of the pre-easement fair market value.

Established a minimum easement size requirement of 2 acres.

Eliminated double payments on land that is still under an Emergency Conservation Program (ECP) practice by requiring the refund of all payments for ECP practices on land enrolled in the WRP if within the practice lifespan.

Eliminated requirement for full Wetlands Reserve Program Plan of Operation (WRPO) development for all easements competing for entry into the program. Develop only a preliminary WRPO for all competing easement requests and a full WRPO only for requests that are tentatively accepted.

Mr. DURBIN. Provide a copy of the requested report on these cost savings for the record.

Mr. BUNTROCK. We will provide that as requested.

[The information follows:]



**REPORT TO CONGRESS  
PROPOSALS FOR REDUCING FEDERAL PER-ACRE COSTS  
FOR THE  
WETLANDS RESERVE PROGRAM**

**INTRODUCTION**

The purpose of this report is to outline and evaluate proposed changes to the Wetlands Reserve Program (WRP) (7 CFR Part 703) that would reduce the per-acre cost of acreage accepted into the program. The Food Security Act of 1985, as amended (1985 Act), authorized the WRP for the voluntary restoration and protection of wetlands by agricultural landowners through the purchase of permanent easements on not less than 975,000 acres through the year 2000. The Senate Appropriations Committee Report on the 1994 Agriculture, Rural Development, and Related Agencies Appropriations Act directed the Department of Agriculture to ensure that the payments made to participants for WRP easements reflect only the agricultural value, not the development value, of the land. The report language also states that the Committee would be much more inclined to fully fund the program if the per-acre cost could be significantly reduced. The Committee directed the Department to explore methods of reducing program cost and report to Congress.

A signup was held for the 1992 pilot WRP from June 15 through June 26, 1992, for interested landowners to submit their intentions to participate in the program. Restoration plans were developed and landowners submitted actual easement bids by September 24, 1992. On January 14, 1993, after extensive review, considering eligibility, costs, and benefits, 298 bids for 49,888 acres from 265 farms were tentatively accepted into the program.

After the pilot program was implemented, the Soil Conservation Service (SCS) conducted two technical workshops, the first in Des Moines, Iowa, on January 5 and 7, 1993, and the second in Jackson, Mississippi, on February 24 and 25, 1993. The workshops included participants from SCS, the Fish and Wildlife Service (FWS), and the Agricultural Stabilization and Conservation Service (ASCS). ASCS conducted a review to evaluate the pilot program on June 21 and 22, 1993, which included participants from SCS, FWS, and ASCS field personnel. The purpose of these activities was to review and critique the pilot WRP and provide recommendations for improving the implementation of the program in the future.

**DISCUSSION OF PROPOSED CHANGES AND ESTIMATED COST IMPACTS**

After the passage of the 1994 Appropriations Act, ASCS instituted an inter-agency WRP workgroup to study the recommendations from the workshops, review activities, and the

Conference Report and draft proposed amendments to the WRP regulations. The proposals are described and evaluated as follows:

**Agricultural Value.** During the pilot program, the Department accepted bids at easement payment rates that did not exceed the difference between the fair market value of the land and the fair market value of such land encumbered by the easement. In so doing, easements in some States, e.g., New York and California, may have included significant non-agricultural or development value in the estimated fair market value of the land. While this procedure is in accordance with the 1985 Act, given the large interest demonstrated by the pilot program, it appears that sufficient quantities of eligible land will be available for enrollment into the WRP without having to pay for any development value. Therefore, in order to decrease the potential per-acre costs of enrolling acreage in the upcoming WRP signup and to comply with the concerns of Congress, the Department is proposing to utilize certified appraisers to determine the value of land considered for acceptance based solely on its agricultural use.

**Cost Impact.** Analysis of the easements accepted into the pilot WRP with bids of \$2,000 or more per acre indicates that at least \$500,000 in payments on accepted bids were probably related to the development component of the land value. If this same relationship holds for the upcoming 75,000-acre signup in 1994, a potential saving of \$750,000 or \$10 per acre, could result from this change.

**Elimination of Allowances.** During the pilot program, the Department permitted allowances for other economic considerations to be included with the basic value of the land when determining the maximum amount the Department would pay for an easement. The added allowances reflected the costs associated with participants' responsibilities of establishing and maintaining the required wetland practices. However, given the large demand for the WRP expressed in the pilot program, budget constraints, and the Congressional concern over the cost of the WRP, permitting such allowances will not be necessary to achieve future enrollment goals. Therefore, to determine the maximum amount to be paid for the land in an easement, the Department is proposing to exclude additional allowances for other economic costs of the participant and consider only the appraised agricultural value.

**Cost Impact.** Analysis of all the easements accepted in the pilot WRP indicates that consideration of participants' costs of installing and maintaining required wetland practices could have accounted for \$600,000 of the payments made on accepted bids. If consideration of these costs is not permitted in the next WRP signup, payments could be lowered by \$900,000 or about \$12 per acre.

**Maximum Per-Acre Value.** During the pilot program, the Department did not establish a maximum per-acre value, but accepted bids up to the estimated land value plus allowances for establishing and maintaining wetland practices. Given the finite quantity of environmental benefits that can be produced by any individual restored wetland and the expected excess demand for enrollment into the program, a cap on the maximum per-acre easement payment

rate should reduce per-acre enrollment costs. Therefore, the Department is proposing that each State Agricultural Stabilization and Conservation (ASC) Committee establish a maximum payment level for easements made in their State. These State maximums must be approved by the Deputy Administrator for State and County Operations, ASCS.

Cost Impact. Analysis of this proposal is complicated because States have not yet established their maximum easement values. If the State committees were to select the State average cropland values for their maximums, analysis of the accepted bids from the pilot WRP and these average cropland values indicate potential savings of \$600,000. (Such an assumption is not unreasonable because acreage that is both eligible and likely to be offered for enrollment will probably be below average in terms of productivity and agricultural use value.) Adjusting for the cost reductions already estimated for the exclusion of non-agricultural or development values from easement appraisals results in a net cost reduction of more than \$500,000. Prorating the adjusted potential savings for the next signup yields estimated potential savings of about \$750,000, around \$10 per acre.

Per-Acre Cost Share Limit. During the pilot program, the Department did not set any limits on the amount of cost share assistance paid to landowners for wetland restoration and the establishment of conservation practices on individual easement contract sites. To ensure that restoration costs are reasonable in terms of the total cost of procuring the easement, the Department is proposing that cost share payments be limited to no more than 50 percent of the easement land value.

Cost Impact. Analysis of this proposal using bid data from the pilot WRP indicates that very little money will likely be saved by this limitation. The average value of the land included in easements accepted in the pilot WRP was \$742 per acre and the estimated cost share payments were \$52 per acre. While little money is expected to be saved by this proposal, it does put an upper bound on cost share payments and helps guarantee that the easements will more likely be properly maintained by discouraging the installation of high-cost, high-maintenance practices.

Minimum Size Requirement. During the pilot program, the Department did not establish a minimum size requirement for accepted contracts. Technical experts believe that small wetlands generally do not yield high environmental values. Also, because surveys, appraisals, and legal fees are generally not proportional to the size of the easement, small easement tracts have higher per-acre costs associated with these requirements than large easement tracts.

Further, enrollment of many very small easements increases the difficulty and administrative cost of monitoring compliance with program provisions and insuring that the easements are properly maintained. Therefore, to obtain higher environmental benefits at lower costs, the Department is proposing that the minimum size for any accepted easement be 2 acres.

Cost Impact. Analysis of all the easements accepted in the pilot WRP indicates that only three bids of less than 2 acres were accepted. While this proposal will probably not save a significant



amount of money during the next WRP signup, additional administrative savings will accrue over time because fewer easements will need to be monitored for compliance.

**Emergency Conservation Program Payment Recovery.** During the pilot program, the Department did not consider the past Emergency Conservation Program (ECP) activity on a site when evaluating its easement eligibility or priority. However, some sites likely to be eligible for WRP enrollment (especially those damaged by recent heavy flooding) may have received ECP assistance to repair disaster related damage. If the land is subsequently enrolled into the WRP, its value would likely be higher than it would have been before the ECP expenditures. Therefore, in order to improve program efficiency and decrease the incentive for landowners to use the ECP to enhance the value of their WRP easement, the Department is proposing to require the refund of ECP payments for practices on land enrolled into the WRP, if the practices are still within their expected lifespans.

**Cost Impact.** Analysis of the potential cost savings due to this proposal is not possible because the information to link recent ECP participation with potential WRP participation is not yet available. It appears that the most significant impact of this proposed change could be on the efficient use of ECP funds. To the extent that there is a larger demand for ECP assistance than there are funds available, this change should ensure that the ECP funds are expended more effectively. In addition, this change will help to limit the use of ECP assistance to boost WRP easement payments, thereby increasing the efficiency of both programs.

**Technical Assistance Savings.** During the pilot program, the Department developed complete Wetland Reserve Plans of Operations (WRPO's) for all land for which bids were submitted. Bids were submitted for 249,059 acres on 1,314 farms. Only 49,888 acres on 265 farms were tentatively approved for enrollment in the WRP. Therefore, WRPO's were developed for 199,971 acres on 1,049 farms that were not enrolled in the WRP. These plans required significant time and resources to develop--more than \$6.0 million of WRP technical assistance funds were used to develop these plans, \$124 per acre of land enrolled into the pilot program. Therefore, the Department is proposing to develop preliminary WRPO's for all individuals expressing an interest in participation, but will develop full WRPO's only for prioritized easements that have a very high probability of being accepted into the program.

**Cost Impact.** Analysis of the impact on technical assistance cost of the proposed change indicates significant potential savings. Based on experience from the pilot program, developing full WRPO's for all acreage for which intentions to participate are expected in the second WRP signup would cost about \$9.3 million. While new actual technical assistance cost rates for these plans have not been firmly established, developing full WRPO's on only prioritized easement offers should limit technical assistance costs to no more than \$5.25 million. This would reduce technical assistance and planning costs by more than \$4.0 million or about \$54 per acre enrolled.

### SUMMARY

After reviewing the results of the pilot WRP and taking into consideration the desires of Congress, the Department proposes the following actions to reduce the per-acre cost of acreage enrolled in the 1994 signup and to improve the overall cost effectiveness of the program:

- Establish a mechanism to include only the agricultural use value and exclude the development value in determining the fair market value of each easement--use certified appraisers to determine the value based solely on agricultural use. Potential savings--\$750,000 or \$10 per acre.
- Eliminate any allowances for additional economic considerations, such as establishing and maintaining wetland practices, when determining an acceptable payment level for an easement--include only the agriculture use value determined through the certified appraisal. Potential savings--\$900,000 or about \$12 per acre.
- Establish a maximum per-acre value at the State level above which an easement will not be accepted, irrespective of its appraisal and environmental value. Each State ASC Committee will set a maximum easement value for their State, subject to the approval of the Deputy Administrator for State and County Operations, ASCS. Potential savings--about \$750,000 or \$10 per acre.
- Establish a per-acre cost share limit for wetland restoration practices of no more than 50 percent of the easement land value. Potential savings--minimal.
- Establish a minimum easement size requirement of 2 acres because of the expected low environmental benefits achieved by enrolling small wetlands and the relatively high per-acre survey, appraisal, and administrative costs. Potential savings--minimal.
- Eliminate double payments on land that is still under an ECP practice by requiring the refund of all payments for ECP practices on land enrolled in the WRP. Potential savings--unknown, but likely small.
- Eliminate requirement for full WRPO development for easements competing for entry into the program. Develop a preliminary WRPO for all competing easement requests and a full WRPO for only high priority requests. Potential savings--more than \$4.0 million, about \$54 dollars per acre.

## TECHNICAL ASSISTANCE

Mr. DURBIN. Technical assistance is provided by the SCS, the Fish and Wildlife Service, the Forest Service, and the Extension Service. No funds are included within this request for technical assistance. Are each of these agencies expected to request technical assistance funding in their regular appropriations request? What is the level of funding for technical assistance that each agency has requested for fiscal year 1995?

Mr. BUNTROCK. The President's budget initiative requires certain agencies providing technical assistance services to separately submit their budget requests to Congress for funding, rather than to use program funds. This proposal ensures that Congress can clearly distinguish funds used to provide direct financial assistance to farmers versus other discretionary costs. Also, since USDA's reorganization plan proposes that the Natural Resources Conservation Service administer ASCS conservation programs, funds used for technical assistance associated with those programs need to be separately identified within the budget of the new Agency.

In fiscal year 1995, the level of funding separately requested for WRP technical assistance by agency is \$34,200,000 by the Soil Conservation Service, \$840,000 by Forest Service, and \$1,900,000 by the Fish and Wildlife Service. Cooperative Extension Service WRP technical assistance requirements are not broken out by program area but are part of the their requests for funding for the renewable resources program and other base programs under the Smith-Lever Act.

## PROGRAM EXPANSION

Mr. DURBIN. The 1994 appropriation provided for the expansion of the program into 11 new States. For the record, list the nine States that were included in the pilot program as well as the 11 new States that will be included in the 1994 program.

Mr. BUNTROCK. The nine pilot States are California, Iowa, Louisiana, Minnesota, Mississippi, Missouri, New York, North Carolina, and Wisconsin.

The 11 new States are Arkansas, Illinois, Indiana, Kansas, Nebraska, Oregon, South Dakota, Tennessee, Texas, Virginia, and Washington.

Mr. DURBIN. Where are you in the process for this fiscal year's signup?

Mr. BUNTROCK. The WRP second signup will end March 11, 1994. State ASCS offices will begin transmitting intentions on acres offered to the Kansas City Management Office in the latter part of March.

Mr. DURBIN. Describe this process and tell us what criteria will be used.

Mr. BUNTROCK. As I mentioned, all eligible intentions for WRP will have to meet a minimum environmental benefit threshold. Each intention which passes this threshold test will be ranked using either a national ranking process or a combination of national and State ranking process. Both processes evaluate the environmental benefits of each site along with the easement and restoration cost of the site, by considering habitat for migratory birds



and other wildlife; operations and maintenance where minimal or no management of the restored site is required to maintain the original wetland condition; location significance of the restored site in context with surrounding land uses, flyways, etc; and physical condition of the site that has either naturally occurred before agricultural disturbance of the site or approached natural conditions barring removal of major levees and water delivery systems.

Eleven States—Arkansas, Illinois, Indiana, Kansas, Louisiana, Mississippi, Missouri, Oregon, Tennessee, Texas, and Washington—have elected to use national criteria while nine States—California, Iowa, Minnesota, Nebraska, New York, North Carolina, South Dakota, Virginia, and Wisconsin—have voluntarily selected additional State ranking criteria. State ranking provides the States with flexibility to meet State specific program objectives within national goals and objectives.

Mr. DURBIN. What did you learn from the pilot program that you are implementing in this program?

Mr. BUNTROCK. Several things, which are enabling us to improve the program for 1994. For instance, the technical agencies are initially developing a preliminary plan to evaluate land eligibility and environmental scoring factors, rather than a full blown WRPO. This saves both time and money by eliminating the need to develop plans on land which may never be enrolled in the program.

Also, only a very small number of landowners requested annual payments in the pilot program. Therefore, for the second signup, it was considered more effective to offer lump sum payments only.

In order to provide greater flexibility within States to achieve environmental and conservation goals, it was determined to allow State input in the ranking and acceptance process. Each of the 20 participating states was given the option of developing a State selection process to be used in conjunction with the National process.

Appraisals based on agricultural value will be conducted for all intentions with a value exceeding \$5,000. This will eliminate the bidding process and should result in ASCS purchasing easements consistent with their fair market value as required by statute. And, as I mentioned earlier, we have established an easement filing deadline.

#### TECHNICAL ASSISTANCE

Mr. DURBIN. Provide a table showing all amounts transferred or used for technical assistance and overhead costs for both fiscal year 1992 and fiscal year 1994.

Mr. BUNTROCK. I will provide that for the record.

[The information follows:]

Wetlands Reserve Program  
FY 1992 Easement Overhead and SCS Technical Assistance Costs

FY 1992 Pilot Program	
Item	Amount
State Easement Overhead Costs:	
California	\$19,260
Iowa	1,882
Louisiana	7,417
Minnesota	0
Mississippi	5,922
Missouri	3,102
New York	2,500
North Carolina	3,600
Wisconsin	771
SUBTOTAL	\$44,454
SCS Technical Assistance	6,186,074
TOTAL SCS/Overhead	\$6,230,528

Wetlands Reserve Program  
FY 1994 Easement Overhead and SCS Technical Assistance Costs

<u>Item</u>	<u>Amount</u>
State Easement Overhead Costs:	
Arkansas	--
California	--
Illinois	--
Indiana	--
Iowa	--
Kansas	--
Louisiana	--
Minnesota	--
Mississippi	--
Missouri	--
Nebraska	--
New York	--
North Carolina	--
Oregon	--
South Dakota	--
Tennessee	--
Texas	--
Virginia	--
Washington	--
Wisconsin	--
Undistributed	<u>\$2,325,000</u> a/
Subtotal 1994 Estimate	2,325,000
SCS Technical Assistance	<u>5,250,000</u>
Total SCS/Overhead	\$7,575,000

a/ Primarily consist of funds available for appraisal of land offered for easement.



## COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Mr. DURBIN. Let's talk about the Colorado River Salinity Control Program. You've called for a pretty substantial cut in this program as I recall, from \$13.8 million this year to \$8.4 million next year.

There are some people on the Committee and others that I've spoken to in Congress who question whether or not this program is worth the investment, whether or not we're putting substantial sums of money into technology that doesn't work, and whether or not, in fact today, we comply with the requirements of our agreement with Mexico in terms of the salinity level of the water. What are your views on this?

Mr. BUNTROCK. Mr. Chairman, in my brief review of this up to this point, I have the benefit of a study that was done by the University of Oklahoma which did point out some results in terms of the tonnage of salt removed, and the cost for the removal of that tonnage. It ran I think in our program from \$14 to \$84 per ton of salt removed. The Bureau of Reclamation also has projects in this salinity area that run anywhere, I understand, from \$14 a ton up to as high as \$121 a ton.

The Bureau of Reclamation projects are really the only comparison that I have in terms of the program funds that we're spending on the removal efforts.

Now you referred to the reduction in the funding for 1995. What this represents, Mr. Chairman, is the reduction for the technical work that the Soil Conservation Service does which had in the past been included in the program funding. So in effect, our proposal would hold the funding at the current levels in terms of the cost-sharing part of it.

Mr. DURBIN. Is it true that the Bureau of Reclamation has maxed out on this project, they have hit their ceiling in terms of what they're able to spend?

Mr. BUNTROCK. I'm not sure, Mr. Chairman. I'm not sure about that.

Mr. MOOS. We will check into that for you. We can find out.  
[The information follows:]

According to the Bureau of Reclamation, they are nearing completion of their authorized program and ceiling. They have several new units planned and ready for authorization, including one joint project with the USDA. Reclamation is requesting public comments and may propose legislation later this year regarding new units planned.

Mr. DURBIN. The program has salinity reduction goals which support the effort to meet salinity standards in accordance with the 1973 International Boundary and Water Commission Agreement concerning the quality of water delivered downstream to users in the U.S. and Mexico. What are the salinity standards of the agreement? How does this compare to the current salinity levels above the Imperial dam?

Mr. BUNTROCK. The salinity standards consist of the average annual numeric salinity criteria at three locations in the lower main stem of the Colorado River system and the plan of implementation. The plan of implementation comprises a number of Federal and non-Federal projects and measures to maintain the flow-weighted average annual salinity in the lower main stem at or below the numeric criteria as the Basin States continue to develop their com-

pact-apportioned waters. The period of analysis to determine the magnitude of the plan of implementation extends to the year 2015. Salinity conditions in the river are reviewed every three years by the Colorado River Basin Salinity Control Forum and adjustments made in the plan of implementation as needed. A summary of the standards and findings can be found in the "1993 Review, Water Quality Standards for Salinity Colorado River System," October 1993.

Flow-weighted average annual salinity was below the numeric criteria in 1991, the last year of confirmed United States Geological Survey water quality data. Salinity concentrations are influenced by the river flows, decreasing in periods of high flows and increasing in periods of low flows. Salinity readings are gradually increasing as the river system stabilizes following the highest flows on record in the years 1983–1986. These fluctuations require a detailed analysis to evaluate program effectiveness, if only the observed salinity concentrations are being considered.

I'll provide you a table showing the numeric criteria and actual salinity concentrations for calendar year 1991.

[The information follows:]

#### COLORADO RIVER SALINITY LEVELS

Station	Numeric criteria salinity mg/L <sup>1</sup>	1991 Observed salinity mg/L <sup>2</sup>
Below Hoover Dam .....	723	634
Below Parker Dam .....	747	635
At Imperial Dam .....	879	753

<sup>1</sup> Flow-weighted average annual salinity.

<sup>2</sup> Source, "1993 Review, Water Quality Standards for Salinity Colorado River System", October 1993.

Mr. DURBIN. How many farms are operating along the Colorado River? How many are in need of new irrigation systems to reduce runoff and percolation of salts into the river?

Mr. BUNTROCK. Within the five USDA salinity control units which are being implemented in the upper Colorado River Basin, there are approximately 5,500 farms. Prior to implementation of the salinity control program most of these farms needed improvements to reduce salt loading. Presently, it is estimated that at least 3,200 farms are in need of new irrigation systems.

There are other irrigation areas along the Colorado River and in the river basin where farms are contributing to salt loading. Some of these areas have been studied and information is available on a number of these farms, but the total number of farms in all of the areas is not readily available.

Mr. DURBIN. The Department of the Interior estimates that irrigated agriculture contributes about 37 percent of the total salt load to the Colorado River above the Imperial Dam. How much has this been reduced as a result of this program?

Mr. BUNTROCK. Irrigated agriculture contributes about 3,300,000 tons of salt to the river system annually. The plan of implementation indicates the need to remove 1,455,000 tons of salt to meet the salinity standards. As of September 30, 1993, the combined reduction of agricultural salt loading from USDA and Bureau of Reclamation actions amounted to approximately 228,500 tons yearly or about 16 percent of the goal.



Mr. DURBIN. What kind of technical assistance does the Extension Service provide to the program?

Mr. BUNTROCK. Extension Service's main salinity program responsibility is to provide information and education regarding state of the art irrigation technology. This is done through demonstration plots, workshops, seminars, printed material, videos, etc. Subjects covered may include irrigation water management, crop, soil, and economic principles.

Mr. DURBIN. Update the table that appears on page 692 of last year's hearing record showing the Extension Service reimbursement to include fiscal years 1993 and 1994.

Mr. BUNTROCK. I will be glad to update the table for the record. [The information follows:]

*Colorado River Basin Salinity Control Program—Extension Service Information and Education Funding Fiscal Year 1987-94*

[In thousands of dollars]

Fiscal year:	Funding
1987 .....	70
1988 .....	175
1989 .....	273
1990 .....	442
1991 .....	600
1992 .....	630
1993 .....	618
1994 .....	618
Total .....	3,426

Mr. DURBIN. Provide a list of all ongoing projects, the amount allocated to each, the total cost of the project to date, its estimated completion date, and the total cost of completion for fiscal years 1993, 1994, and estimates for fiscal year 1995.

Mr. BUNTROCK. I will be glad to provide that information for the record.

[The information follows:]

**COLORADO RIVER BASIN SALINITY CONTROL PROGRAM PROJECT ALLOCATIONS AND COSTS BY STATE AND PROJECT FROM INCEPTION THROUGH FISCAL YEAR 1994 (EST.)**

State	Project unit name	Amount allocated (cost-shares only)	Total project costs <sup>1</sup>	Estimated completion date
Colorado .....	Grand Valley .....	\$22,450,336	\$32,892,386	2010
	McElmo Creek .....	3,608,212	6,826,212	2009
	Lower Gunnisons .....	11,133,848	18,821,248	2016
Nevada .....	Moapa Valley .....	600,000	1,007,000	2006
Utah .....	Uinta Basin .....	33,484,520	43,802,520	2010
Wyoming .....	Big Sandy River .....	4,344,079	7,371,679	2003

<sup>1</sup> Includes T/A, info/education, and cost-shares.

**COLORADO RIVER BASIN SALINITY CONTROL PROGRAM TOTAL PROJECT ESTIMATES FISCAL YEAR 1993-95**

State	Project unit name	1993	1994	1995 <sup>1</sup>
Colorado .....	Grand Valley .....	\$2,698	\$2,654	\$2,957
	McElmo Creek .....	1,281	1,270	794
	Lower Gunnisons .....	3,992	3,629	1,930
Nevada .....	Moapa Valley .....	263	827	485
Utah .....	Uinta Basin .....	4,138	4,189	2,957
Wyoming .....	Big Sandy River .....	1,322	1,209	781

<sup>1</sup> Includes SCS technical assistance.



Mr. DURBIN. What is the cost per ton of salt reduced for each of the projects in the program?

Mr. BUNTROCK. An analysis is presently underway to update the cost per ton of salt reduction in each of the salinity projects. Preliminary data indicate costs of \$49 for Grand Valley, \$85 for Lower Gunnison, \$64 for McElmo Creek, \$43 for Uinta Basin, and \$27 for Big Sandy River.

Mr. DURBIN. Fiscal year 1993 was the first full year of an irrigation project on the Ute Indian Reservation to demonstrate the importance of Ute Indian lands participation in the Uinta Basin project. What is the status of this project?

Mr. BUNTROCK. In fiscal year 1993, the full-time project extension agent continued the demonstration practice efforts initiated in 1992 on Ute Indian Reservation land. A field day was held in late August for potential Native American program participants to observe sprinkler irrigation demonstration plot results. The plots are providing data on crop variations, yields, and costs to determine fair market lease agreements. Special emphasis is being placed on working with individual farmers on principles of irrigation water management.

Mr. DURBIN. This program had an unobligated balance of \$904,310 at the end of fiscal year 1993 that carried forward into fiscal year 1994. What was the reason for this carryover of funds?

Mr. BUNTROCK. There were several reasons. The planning and design of the most cost effective salinity practices, under salinity contracts, are complex and time-consuming processes. However, all 1993 funds were allocated to project areas. This process could take months to complete due to availability of resources. Producers sometimes delay implementing practices due to economic reasons. Issues related to migratory wildlife habitat also needed to be resolved among agencies.

Mr. DURBIN. Who makes up the USDA Salinity Control Coordinating Committee? What role do they have in the program?

Mr. BUNTROCK. The USDA Salinity Control Coordinating Committee is composed of representatives of ASCS, SCS, ES, and, as applicable ARS, CSRS, FmHA, and FWS. The Committee coordinates overall CRSC activities at the national level, in consultation with the Bureau of Reclamation, Colorado River Basin Salinity Control Forum, and EPA. They also review regulations, policies, procedures, and Project Implementation Plans for funding in the USDA consolidated budget.

#### TOBACCO PROGRAM

Mr. DURBIN. How much was spent on the administrative costs of crop insurance in support of the tobacco program this year, and what do you expect next year?

Mr. MOOS. May I call on Dallas Smith who used to head that division?

Mr. SMITH. Mr. Chairman, I do not have the exact figures before me, but I can supply those for the record. My recollection is that under the tobacco program, we have a no-net-cost program in place except for certain administrative costs.

Part of the insurance program operated by the Federal Crop Insurance Corporation would fall into this category of administrative costs, and because of certain disaster conditions that occurred in

fiscal year 1993, I believe it was, they had an expenditure in the neighborhood of \$15 to \$16 million, as I recall.

No, for that single year, fiscal year 1993 I believe it was, they had an outlay as part of the subsidy of the Federal Crop Insurance programs for disasters.

Because it is disaster-related, however, that figure tends to fluctuate considerably from year to year.

Mr. DURBIN. Last year I think it was in the neighborhood of \$32 million for both the administrative costs to the program and crop insurance relative to tobacco.

I don't want to put you on the spot here, but if you could provide this subcommittee with that information, I would appreciate it.

Mr. SMITH. All right, sir.

[The information follows:]

#### TOBACCO ADMINISTRATIVE AND CROP INSURANCE COSTS

In support of the tobacco program in fiscal year 1993, ASCS administrative expenses totaled \$15,250,000. Additionally, because of the drought which afflicted much of the south in FY 1993, disaster assistance provided to tobacco farmers, by the Federal Crop Insurance Corporation, came to \$17,002,000. For fiscal year 1994, administrative expenses are projected to increase slightly to \$15,340,000, while FCIC crop insurance is estimated to be \$4,305,000.

#### PROPOSED REORGANIZATION

Mr. DURBIN. Mr. Buntrock, the Secretary's proposed reorganization would make some significant changes to your agency and the programs you operate. For the record, would you describe your operations as they currently exist and then describe how they would operate under the proposed reorganization.

Mr. BUNTROCK. I will be happy to provide that information for the record.

[The information follows:]

#### ASCS OPERATIONS, CURRENT AND PROPOSED

Currently, ASCS administers farm commodity, resource conservation, and emergency programs. These programs provide farmers with commodity loans, price support payments, conservation cost share assistance, and land retirement rental payments. In addition, ASCS facilitates the purchase of commodities from farmers and processors for domestic and foreign feeding programs and administers emergency assistance programs dealing with livestock feeding and ad hoc disaster assistance.

ASCS currently conducts its operations and commodity price support programs in the field through 50 State offices, 2,770 county offices, an insular office in Puerto Rico and 6 district offices in the Caribbean Area. The Washington headquarters office, the Aerial Photography Field Office and the Kansas City Field Offices are the principal staff offices for carrying out activities of the Commodity Credit Corporation—CCC—and the Agricultural Stabilization and Conservation Service. The agency is headed by an Administrator, an Associate Administrator, and four Deputy Administrators.

State and County Operations. The Deputy Administrator, State and County Office Operations—DASCO—directs and administers program activities through various commodity or program related divisions. DASCO also directs the activities of five area offices, each of which coordinates program and policy oversight for geographic groups of States. The five area offices (located in Washington, D.C.) are links between ASCS State offices and DASCO.

Commodity Operations. The Deputy Administrator, Commodity Operations—DACO—administers policy for commodity operations, warehousing, and storage through various Washington based divisions and the Kansas City Commodity Office.

Management. The Deputy Administrator, Management—DAM—provides administrative support activities to all ASCS offices. Offices under DAM are responsible for ASCS and CCC budgets, financial operations, property, space allocation, procurement, printing, communications, forms and records management, automated data processing activities, employment and employee relations, aerial photography, and management information systems.



**Program Analysis.** The Deputy Administrator, Program Analysis—DAPA—directs and administers activities concerned with economic analyses of major policies involved in program administration and preparation of related regulatory impact statements.

Secretary Espy has proposed legislation which would move the oversight, administration, and policy direction for conservation and environmental programs, except the Conservation Reserve Program, to the proposed Natural Resources Conservation Service—NRSC—under the direction of the Assistant Secretary for Natural Resources and Environment. However, the Farm Service Agency—FSA—field office staff will continue to provide administrative support for delivery of conservation cost-share programs under reimbursable agreements with the NRCS. In addition, a National Appeals Division reporting independently to the Office of the Secretary would absorb current appeals functions of ASCS.

Under the Secretary's proposal, the new Farm Service Agency would operate with approximately 2,500 county offices housed in one-stop USDA Service Centers and approximately the same number of other offices that currently exist. Within the FSA proposed by the Secretary, responsibility for the commodity programs would be placed under the Deputy Administrator for Farm Programs, through a functional organization that would oversee production adjustment, price support, special programs and compliances activities. A second Deputy Administrator for Program Delivery and Field Operations would execute the policies established through a network of 5 area offices, 50 State offices, an insular office in Puerto Rico and approximately 2,500 county offices. These policies would reflect consolidated farm credit, commodity support, and risk management program delivery. Under the FSA, the divisions reporting to the Deputy Administrator for Program Analysis would be streamlined and absorbed within other existing Deputy Administrators' areas of operations. In an effort to improve efficiency and avoid duplication and unnecessary overhead costs, the functions reporting to the Deputy Administrator, Management, would be expanded to include the agencies reporting to the Under Secretary for Farm and International Trade Services. Essentially, FSA would be the administrative servicing agency for the International Trade Service. This work would be performed on a reimbursable basis and would reflect consolidated personnel, budgeting, and management services at the Under Secretary level. The operations of the Deputy Administrator for Commodity Operations would remain about the same.

#### PROPOSED AGRICULTURAL CONSERVATION COMMITTEES

**Mr. DURBIN.** Under the Secretary's proposal, Agricultural Conservation Committees would be established—comprised of members from both ASC Committees and Soil and Water Conservation Districts. It is anticipated that these Agricultural Conservation Committees will replace the two other committees. Have the ASC county Committees and the Soil and Water Conservation Districts agreed to this proposal?

**Mr. BUNTROCK.** The Secretary's reorganization proposal utilizes equal representation from both the county ASC Committee and the Soil and Water Conservation District Board to make up the new Agricultural Conservation Committee for the purpose of setting policy on conservation matters and issuing approvals for cost-share requests. The county ASC Committee and the local Soil and Water Conservation Board will otherwise continue to be responsible for and carry out their current duties and responsibilities. Therefore, there has not been any formal agreement made between these two groups and the Secretary.

#### TECHNICAL ASSISTANCE

**Mr. DURBIN.** The budget proposal for the conservation programs of ASCS would fund technical assistance provided by the Soil Conservation Service—SCS—as a direct appropriation to the Conservation Operations account of SCS instead of the current process of transferring the funds to SCS from the individual ASCS accounts. Please provide a table for each of the seven programs under ASCS showing the appropriation level and the amount transferred to SCS



for technical assistance for fiscal years 1985 through 1993 and estimate for fiscal year 1994.

Mr. BUNTROCK. I will provide that for the record.

[The information follows:]

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE  
Budget Authority and Soil Conservation Service (SCS) Technical Assistance  
(DOLLARS IN THOUSANDS)

Programs	FY 1985		FY 1986		FY 1987		FY 1988		FY 1989		FY 1990		FY 1991		FY 1992		FY 1993		Estimated FY 1994	
	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A	B/A	T/A
Agricultural Conservation Program	\$190,000	9,251	\$180,739	8,948	\$176,635	7,558	\$176,635	9,468	\$176,635	8,373	\$182,389	9,522	\$180,180	8,987	\$194,436	8,767	\$194,436	9,371	\$194,650	9,734
Rural Clean Water Program	0	1,315	0	2,527	-8,000	1,214	0	834	0	837	0	1,029	0	925	0	800	0	332	0	0
Emergency Conservation Program	0	571	5,000	155	10,000	64	1,000	185	5,000	377	28,927	115	10,000	811	22,500	1,723	89,887	1,987	25,000	4,481
Water Bank Program	680	360	8,371	294	8,371	355	8,371	527	9,000	222	12,240	554	13,820	726	18,620	953	18,620	1,137	8,000	840
Wetlands Reserve Program	--	--	--	--	--	--	--	--	--	--	--	--	--	--	46,357	6,200	0	0	68,675	5,250
Colorado Salinity Control Program	--	--	--	--	3,804	1,284	4,804	1,640	5,452	1,736	10,341	3,944	14,763	5,313	14,763	5,313	13,783	5,010	13,783	5,010
Conservation Reserve Program	--	--	\$/	6,176	\$/	15,662	1,065,780	5,612	1,727,539	23,520	1,010,978	0	1,314,920	0	1,511,277	18,303	1,576,517	5,051	1,743,274	0

\$/ No direct appropriation was provided. Funding was provided by the Commodity Credit Corporation.

## STAFFING REDUCTIONS

Mr. DURBIN. The budget request is based on savings resulting from field office closures, staff year reductions, and reorganization efforts. Some of these changes will require changes in legislation. What actions will you take if this legislation is not enacted this year or if reorganization does not occur this year?

Mr. BUNTROCK. In the absence of enactment of reorganization legislation, ASCS would seek to achieve the streamlining objectives and customer service efficiencies outlined by the National Performance Review under guidance from the Secretary.

## COUNTY COMMITTEES

Mr. DURBIN. There are 3,052 county committees. Will the number of county committees be reduced in proportion to the number of field office closures?

Mr. BUNTROCK. Under the Secretary's proposal, the county committee structure will be adjusted to incorporate the farm credit program delivery system of the Farmers Home Administration. The membership of each committee will be broadened to include three elected committeepersons and two appointed committeepersons. In instances where population and need do not substantiate a distinct committee, community committees will represent multiple counties. While it is conceivable the number of county committees will be reduced, it is unlikely that there will be a direct proportionate reduction in the number as compared to the number of field office closures.

Mr. DURBIN. Programs involving county committees operate in all 50 States, the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands. Do the Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands all have county committees?

Mr. BUNTROCK. No, these islands do not have county committees. Puerto Rico's and the Virgin Islands' functions are handled by Federal employees through the Caribbean Area ASCS Office located in San Juan, Puerto Rico. The Northern Mariana Islands' and Guam's functions are handled through the Hawaii ASCS State office.

## STAFFING LEVELS

Mr. DURBIN. County office staff years increased from 14,683 in fiscal year 1993 to an estimated level of 14,850 in fiscal year 1994. The proposed staff year level for fiscal year 1995 is 12,560, a decrease of 2,290. In light of the Secretary's reorganization efforts and the President's initiative to reduce Federal employment, would you tell the committee why there is an increase in county office FTEs in fiscal year 1994?

Mr. BUNTROCK. The net increase of 167 staff years in FY 1994 county office staffing from the 14,683 staff years actually worked in FY 1993 primarily represents a small increase in disaster workload which is performed largely by temporary employees. In FY 1994, approximately 1,412 staff years are estimated to be used for disaster workload. Use of these disaster related temporary FTEs is not budgeted for in FY 1995. Consistent with the Secretary's reorganization plan and the President's initiative to decrease Federal employment, the agency is reducing the level of county office per-



manent employment during the current fiscal year. Since the beginning of FY 1994, county office permanent staffing has been reduced by 233 employees through attrition, and it is anticipated that this trend will continue into FY 1995.

Mr. DURBIN. You hope to reach the proposed reductions in staff years through attrition. What is the Agency's annual rate of attrition? What will you do to meet these reductions if they cannot be achieved through attrition?

Mr. BUNTROCK. We cannot rely on attrition alone to reach the proposed staff year reductions. However, ASCS will continue a hiring freeze implemented in FY 1993 and rely partially on a net attrition rate of 2 percent for permanent employees in both Federal and county offices. This equates to anticipated reductions of 65 Federal FTEs and 250 county FTEs in fiscal year 1995. Additional reduction will be accomplished by planned furlough days and/or implementation of a buy-out program early in fiscal year 1995, if authorized by the Congress. Without a buy-out program, approximately 17 and 9 furlough days will be required for Federal and county offices, respectively.

#### ADP COSTS

Mr. DURBIN. The Administration is proposing language to prohibit the use of CCC funds for the purchase of ADP equipment and systems needed to operate the farm programs. Would you provide a table, for the record, showing the amount of CCC funds used for equipment purchases and other ADP related costs for the last ten years, including estimates for fiscal years 1994 and 1995.

Mr. BUNTROCK. Yes, I will provide that for the record.

[The information follows:]

**COMMODITY CREDIT CORPORATION**  
**ADMINISTRATIVE EQUIPMENT (REGULAR & ADP) AND OTHER RELATED ADP COSTS**  
**FY 1985-1993 ACTUALS AND FY 1994-1995 ESTIMATES**  
(full dollars)

	FY 1985 ACTUAL	FY 1986 ACTUAL	FY 1987 ACTUAL	FY 1988 ACTUAL	FY 1989 ACTUAL	FY 1990 ACTUAL
<b>I. EQUIPMENT</b>						
Regular Equipment	1,288,983	3,449,743	2,651,008	4,659,002	7,716,614	10,238,835
ADP Equipment	43,361,949	58,167,853	34,319,373	30,763,849	11,786,366	16,292,375
<b>TOTAL EQUIPMENT-CCC</b>	<b>44,650,932</b>	<b>61,617,596</b>	<b>36,970,381</b>	<b>35,422,851</b>	<b>19,502,980</b>	<b>26,531,210</b>
<b>II. OTHER RELATED COSTS:</b>						
Space/Site Prep	176,000	196,000	108,984	113,667	119,939	126,162
Supplies/Transportation	85,000	206,000	1,335,931	294,208	431,048	501,000
Commercial Services	10,017,000	19,102,000	22,375,859	17,321,574	21,316,819	16,407,000
Maint.-IBM System 36's	663,000	2,140,000	6,099,888	6,958,856	6,567,525	6,665,000
Inter/Intra Agency Serv.	1,446,000	1,259,000	1,601,620	2,769,728	2,548,402	2,499,000
<b>TOTAL OTHER COSTS</b>	<b>12,387,000</b>	<b>22,903,000</b>	<b>31,522,282</b>	<b>27,458,033</b>	<b>30,983,733</b>	<b>26,198,162</b>
<b>GRAND TOTAL</b>	<b>57,037,932</b>	<b>84,520,596</b>	<b>68,492,663</b>	<b>62,880,884</b>	<b>50,486,713</b>	<b>52,729,372</b>

	FY 1991 ACTUAL	FY 1992 ACTUAL	FY 1993 ACTUAL	FY 1994 ESTIMATE	FY 1995 ESTIMATE
<b>I. EQUIPMENT</b>					
Regular Equipment	6,934,364	14,985,626	6,208,352	6,351,000	
ADP Equipment	14,462,284	17,500,139	25,531,707	28,569,000	
<b>TOTAL EQUIPMENT-CCC</b>	<b>21,396,648</b>	<b>32,485,765</b>	<b>31,740,059</b>	<b>34,920,000</b>	
<b>II. OTHER RELATED COSTS:</b>					
Space/Site Prep	129,807	109,913	109,381	0	
Supplies/Transportation	665,263	439,657	1,085,131	995,000	
Commercial Services	14,581,354	19,282,001	19,296,848	33,013,000	
Maint.-IBM System 36's	6,940,442	7,190,157	8,562,000	10,678,000	
Inter/Intra Agency Serv.	1,287,718	743,170	933,159	9,653,000	
<b>TOTAL OTHER COSTS</b>	<b>23,604,584</b>	<b>27,764,898</b>	<b>29,986,519</b>	<b>54,339,000</b>	
<b>GRAND TOTAL</b>	<b>45,001,232</b>	<b>60,250,663</b>	<b>61,726,578</b>	<b>89,259,000</b>	<b>--- 1/</b>

1/ No use of CCC funds is proposed for fiscal year 1995. Instead, \$75.9 million for equipment and other ADP costs unrelated to Info Share is proposed to be funded by direct appropriation to ASCS.

Mr. DURBIN. The budget request for Departmental Administration includes \$90 million to begin a project, called InfoShare, to consolidate ADP systems in the field in support of the one-stop shopping concept for farmers. What impact will this initiative have on the use of CCC funds for ADP costs?

Mr. BUNTROCK. With the establishment of the consolidated InfoShare program and separate USDA appropriation request in fiscal year 1995, agency-specific funding related to InfoShare objectives will necessarily decrease. However, \$75.9 million for ASCS ADP services and other equipment unrelated to InfoShare that historically has been funded by the Commodity Credit Corporation is instead included in the ASCS direct appropriation request.

#### SALARIES AND EXPENSES

Mr. DURBIN. In the salaries and expenses account, you had an unobligated balance of \$12 million at the end of fiscal year 1993 that was carried over into fiscal year 1994. What was the reason for this carryover of funds?

Mr. BUNTROCK. P.L. 103-75, The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act, signed on August 12, 1993, provided \$12 million in 1993/94 administrative funding, available through June 30, 1994. This funding was unobligated in fiscal year 1993 and was carried over into fiscal year 1994 where it will be fully used to cover administrative expenses for county office disaster workload.

Mr. DURBIN. Also as part of the salaries and expenses account, there is a requested increase of \$5.9 million for rent and utility costs for Federal and county offices. What were these costs in fiscal year 1993 and what are they projected to be in fiscal year 1994?

Mr. BUNTROCK. The actual costs for rent and utilities for Federal and county offices were \$55.3 million in fiscal year 1993 and are estimated at \$63.5 million in fiscal year 1994.

Mr. DURBIN. You can use the authority of CCC to lease space directly and not go through GSA. For fiscal years 1993 and 1994, tell us how much space you leased directly and how much you leased through GSA, including the cost of each. Also, tell us what these projections are for fiscal year 1995.

Mr. BUNTROCK. I will provide a table showing estimated amounts of leased space using CCC authority, but not CCC funds, GSA space, and the cost by fiscal year.

[The information follows:]

Fiscal year	CCC leased space		GSA leased space	
	ASCS square footage	Rent	ASCS square footage	Rent
1993 (est). <sup>1</sup>	4,020,616	\$30,927,632	796,706	\$10,121,758
1994 (est.)	4,359,511	34,122,338	785,706	10,167,797
1995 (est.)	4,348,296	34,655,919	778,282	10,375,601

<sup>1</sup> Estimated by using actual 3rd quarter data for the fiscal year.

#### WAREHOUSE ACTIVITIES

Mr. DURBIN. Describe, in detail, the program you have to license and inspect warehouse facilities.



Mr. BUNTROCK. The U.S. Warehouse Act—USWA—was passed by Congress in 1916. It authorizes the Secretary of Agriculture to license warehousemen who store agricultural products. Those applying for a license must meet the U.S. Department of Agriculture standards, established within the USWA and its regulations.

ASCS administers the USWA primarily through a program of comprehensive warehouse examinations made by 82 Federal warehouse examiners. Examiners review the warehouseman's obligations to others as represented by outstanding warehouse receipts, scale tickets, and customer account records. The examiners inventory all commodities on hand and compare this inventory with the warehouseman's recordkeeping, housekeeping and sanitation practices, insurance coverage, and quality of products in storage. These examinations are an integral part of the system of controls designed to identify and report warehouses in financial jeopardy.

The primary objectives are to administer a national voluntary program of licensing, bonding, and examining agricultural product warehouses, eliminate unsound warehousing practices by creating a uniform system of warehousing throughout the United States for agricultural products, provide safe agricultural product storage at reasonable rates, protect agricultural product depositors, maintain integrity and acceptability of warehouse receipts in the marketplace, and facilitate interstate commerce and the marketing of major agricultural products.

The Commodity Credit Corporation Charter Act—15 U.S.C. 714—provides authority for CCC to conduct a number of operations to stabilize, support, and protect farm income and prices. CCC is directed to use to the maximum extent practicable, the usual and customary channels, facilities, and arrangements of trade and commerce. A warehouse must be approved before CCC will use it. All warehouses must be examined by a person designated by CCC before approval and submit to periodic examinations after approval unless the warehouse is licensed under the USWA. The primary objective is to protect CCC's interests in owned and loan grain, cotton, and rice.

Mr. DURBIN. How often are these facilities licensed and/or inspected?

Mr. BUNTROCK. Once a license is issued and the warehouseman stays in compliance with the Act and regulations, it remains licensed until such time as the warehouseman asks for cancellation. If the warehouseman is found to have a serious violation of the Act or its regulations, the license is suspended and subject to revocation.

Warehouse examiners perform three unannounced routine examinations of grain warehouses every two years, with routine examinations of cotton warehouses at a rate of one annually. Other examinations are performed on an as needed basis.

Mr. DURBIN. You perform these services on a user fee basis. Does the fee charged cover the full cost of the inspection? If not, tell us why it doesn't.

Mr. BUNTROCK. Fees are mandated by the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, which amended the USWA. CCC adopted a similar fee structure.

Licensed warehousemen, except for cotton, pay approximately half the cost of the inspection and the remainder is paid by CCC when the licensee has a CCC storage agreement. CCC agreed to this arrangement because they are the major benefactor of the examination program since CCC accepts the examinations in lieu of performing their own examinations, which would be a duplication of effort.

ASCS anticipates a shortfall in the user fee account in fiscal year 1995. In order to cover this shortfall, the Agency is proposing regulations to increase user fees to the industry and has incorporated other administrative measures to ensure that the account will remain solvent.

Mr. DURBIN. According to the explanatory notes, ASCS began collecting user fees for warehouse examination services in fiscal year 1982 on grain and other warehouses except cotton. Is cotton still excluded from the fee? If so, what is the reason it is excluded?

Mr. BUNTROCK. At the present time, the cotton industry remains exempt from user fees, but the Agency is proposing to issue regulations in fiscal year 1994 to begin collecting user fees from the cotton industry in fiscal year 1995.

Mr. DURBIN. Provide a table, for the record, showing the cost to ASCS to license and inspect warehouse facilities as well as the amount collected from the fee charged for the last five fiscal years including estimates for fiscal year 1994.

Mr. BUNTROCK. I will provide that table for the record, Mr. Chairman.

[The information follows:]

#### LICENSING AND INSPECTING OF WAREHOUSE FACILITIES—USWA WAREHOUSES

[In thousands of dollars]

Fiscal year	Beginning balance	Cost to ASCS	Fees collected	Interest earned	Ending balance
1990 .....	5,127	2,404	1,595	545	4,865
1991 .....	4,865	2,870	1,506	400	3,901
1992 .....	3,901	2,980	1,676	159	2,756
1993 .....	2,756	2,740	1,676	98	1,790
1994 est .....	1,790	2,499	1,676	71	1,038

#### CCC CONTRACT WAREHOUSES

[In thousands of dollars]

Fiscal year	Beginning balance	Cost to ASCS	Fees collected	Ending balance
1990 .....	2,565	956	899	2,508
1991 .....	2,508	935	840	2,413
1992 .....	2,413	920	676	2,169
1993 .....	2,169	783	1,033	2,419
1994 est .....	2,419	953	840	2,306

Mr. DURBIN. The budget proposal for fiscal year 1995 does not include funding for warehouse examinations out of direct appropriations. Would you please explain this?

Mr. BUNTROCK. Prior to fiscal year 1995, funding for cotton warehouse examinations was provided through direct appropriation for salaries and expenses. In fiscal year 1995, the cotton warehouse

exams are proposed to be funded through user fees after following the appropriate regulatory processes.

AGRICULTURAL CONSERVATION PROGRAM

Mr. DURBIN. For the record, please update the table that appears on page 629 of last year's hearing record showing the Agricultural Conservation Program—ACP—practices and accomplishments to include fiscal year 1993.

Mr. BUNTROCK. I will provide the information for the record.  
[The information follows:]



Agricultural Conservation Program  
Practices Performed in 1985 through 1993  
and Total Accomplishments 1936-1993

Practice	Unit	Extent Under 1985 Program	Extent Under 1986 Program	Extent Under 1987 Program	Extent Under 1988 Program	Extent Under 1989 Program	Extent Under 1990 Program	Extent Under 1991 Program	Extent Under 1992 Program	Extent Under 1993 Program	Total Accomplishments 1936-1993
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses . . . . .	1,000 structures	15	11	12	21	20	16	17	16	14	2,688
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution .	1,000 acres	442	342	572	964	841	445	632	682	544	44,089
Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution . . . . .	1,000 acres	131	92	82	139	123	139	124	105	81	116,772
Trees or shrubs planted for forestry purposes, erosion control or environmental enhancement . . . . .	1,000 acres	183	190	197	252	250	229	271	271	289	10,280
Forest tree stands improved for forestry purposes or environmental enhancement . .	1,000 acres	34	27	21	38	40	38	45	47	37	5,446
Wildlife conservation . . . . .	1,000 acres	34	33	24	48	35	37	43	46	36	15,143 <sup>1/</sup>
Sediment pollution-abatement structures or runoff control measures . . . . .	1,000 acres	464	399	300	474	390	331	481	399	338	23,678 <sup>2/</sup>
Conservation tillage including reduced tillage and no-till . . .	1,000 acres	1,076	631	423	445	330	400	411	556	602	9,050 <sup>3/</sup>

1/ From 1962 with certain data estimated.

2/ From 1970.

3/ From 1973.

Mr. DURBIN. Also update the table on the next page showing ACP unobligated balances to include the carryover into fiscal year 1994.

Mr. BUNTROCK. I will provide that information for the record as well, Mr. Chairman.

[The information follows:]

## ACP UNOBLIGATED BALANCES, FISCAL YEARS 1988-94

	Fiscal Year					
	1988	1989	1990	1991	1992	1994
Unobligated balance brought forward from prior years .....	\$72,396,479	\$51,543,907	\$44,468,125	\$27,705,100	\$35,711,370	\$42,902,000



Mr. DURBIN. How much of the fiscal year 1994 appropriation for ACP was spent for annual type conservation practices and how much was spent for long-term agreements?

Mr. BUNTROCK. Of the fiscal year 1994 ACP appropriation, \$154.3 million has been allocated to States to date for annual type practices and \$20 million for long-term agreements.

Mr. DURBIN. Which type is more cost effective?

Mr. BUNTROCK. A long-term agreement commits ACP funding for the performance of a series of practices over a contractual period of at least 3 but not more than 10 years. The same costs would be incurred and the same conservation benefits obtained through the performance of the same practices on a year to year or annual performance basis. Therefore, there is no appreciable difference in the cost-effectiveness of the two arrangements when the same practices are used. The long-term agreement does, however, commit current funds to future practice performance and obligates the producer to a performance schedule.

Mr. DURBIN. During last year's hearing, Mr. Weber described two new ACP practices that were approved in fiscal year 1992. One was WQP1, Source Reduction of Agricultural Pollutants, and the other was SP56, Rice Residue Management. The rice residue management practice was developed to provide assistance to growers in California to implement methods, other than burning, to eliminate rice residue. Could this practice also be used by sugarcane growers who also burn residue?

Mr. BUNTROCK. Special practice SP56 was approved for California because of the pollution problem caused by the burning in an 8-county area. Other Federal and State agencies and private concerns supported this special practice and California law mandates that rice growers must limit the acreage allowed for burning.

If State ASC Committees can provide sufficient justification for a similar type practice, ASCS will consider a similar special practice for sugarcane producers.

Mr. DURBIN. Provide a table similar to the one that appears on pages 633 and 634 of last year's hearing record showing the ACP practices, cost shares, and percent of total cost shares for fiscal year 1993.

Mr. BUNTROCK. I would be happy to provide a table for the record.

[The information follows:]

## FY 1993 ACP Practices, Cost Shares, and Percent of Total Cost-Shares

Practice Number and Name		Cost-Shares	Percent of Total Cost-Shares
SL1	Permanent Vegetative Cover Establishment	\$22,439,273	13.31
SL2	Permanent Vegetative Cover Improvement	13,949,773	8.27
SL3	Stripcropping Systems	1,661,324	.99
SL4	Terrace Systems	14,476,455	8.58
SL5	Diversions	2,079,373	1.23
SL6	Grazing Land Protection	11,938,388	7.08
SL7	Field Windbreak Restoration or Establishment	1,039,709	.62
SL8	Cropland Protective Cover	3,536,431	2.10
SL9	Farmstead and Feedlot Windbreak	2,022,537	1.20
SL11	Permanent Vegetative Cover on Critical Area	2,594,156	1.54
SL12	Vegetative Row Barriers	1,928	#
SL13	Contour Farming	262,438	.16
SL14	Reduced Tillage Systems	687,091	.41
SL15	No-Till Systems	6,769,514	4.01
WC1	Water Impoundment Reservoirs	5,098,160	3.02
WC2	Spreader Ditches or Dikes	49,490	.03
WC3	Rangeland Moisture Conservation	31,633	.02
WC4	Irrigation Water Conservation	25,294,288	15.00
WP1	Sediment Retention, Erosion or Water Control Structure	8,901,441	5.28
WP2	Stream Protection	623,361	.37
WP3	Sod Waterways	8,284,927	4.91
WP4	Agricultural Waste Control Facilities	19,535,828	11.58
WP6	Constructed Wetland System for Agricultural Wastes	52,533	.03
FR1	Forest Tree Plantations	8,554,378	5.07
FR2	Forest Tree Stand Improvement	1,519,531	.90
FR3	Site Prep for Natural Regeneration	106,108	.06
WL1	Permanent Wildlife Habitat	720,411	.43
WL2	Shallow Water Areas for Wildlife	702,799	.42
SP1	Plugging Artesian Wells	25,684	.02

Practice Number and Name	Cost-Shares	Percent of Total Cost-Shares
SP10 Streambank Stabilization	217,233	.13
SP24 Raise Clod-Form Subsoil to Prevent Blowing	128,793	.08
SP25 Subsoiling	73,055	.04
SP31 Interim Wildlife Food and Cover	16,468	.01
SP35 Water Management Systems for Pollution Control	390,205	.23
SP42 Long Term Permanent Cover on Hillsides	2,300	#
SP43 Forest Land Management Roads	128,743	.08
SP44 Stand Analysis for Forest Management Planning	132,454	.08
SP45 Land Smoothing for Salinity Control	49,327	.03
SP52 Straw Mulching for Furrow Irrigation	72,386	.04
SP53 Integrated Crop Management	1,739,675	1.03
SP54 Rice Land Water Quality Improvement	483,439	.29
SP55 Pesticide Containment Facilities	79,651	.05
SP56 Rice Residue Management	294,206	.17
WQP1 Source Reduction of Agricultural Pollutants	1,884,819	1.12
Total	168,651,716	100.00

# Insignificant Value Present



Mr. DURBIN. Listed as one of the objectives of ACP is achieving national priorities reflected in the National Environmental Policy Act of 1969. Would you describe these national priorities and tell us where we stand in meeting these priorities?

Mr. BUNTROCK. I can furnish a summary of that for the record. [The information follows:]

#### NATIONAL ENVIRONMENTAL POLICY ACT OF 1969

The National Environmental Policy Act of 1969, as amended, proposes a national policy that will:

Encourage productive and enjoyable harmony between man and his environment. Promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man.

Enrich the understanding of the ecological systems and natural resources important to the Nation.

Establish a Council on Environmental Quality.

ACP provides cost-share assistance to agricultural producers to control erosion, conserve water, promote water quality, and provide wildlife habitat. In recent years ASCS, in concurrence with the National Conservation Review Group, has added the following new practices to the ACP to conform with national environmental policies:

SP53, Integrated Crop Management. The purpose is to demonstrate an integrated crop management system to reduce pollution of water, land, and air and to preserve soil fertility.

SP55, Pesticide Containment Facilities. The purpose is to reduce the pollution of water, land, or air from pesticides.

WP6, Constructed Wetland Systems for Agricultural Waste Water Treatment. The purpose is to reduce the pollution of water, land, or air through the proper handling of agricultural wastes using either a Constructed Wetland System or a Constructed Wetland System with other agricultural waste control facilities.

WP7, Riparian Buffer Strips. The purpose is to remove nutrients, sediment, organic matter, and pesticides from surface runoff and subsurface flow by deposition, absorption, plant uptake, denitrification, and other processes, and thereby reduce pollution and protect surface water and subsurface water quality while enhancing the ecosystem of the water body.

WP8, Plugging Abandoned Water Wells. The purpose is to protect water quality by preventing contamination of ground water from surface runoff into abandoned water wells.

WQP1, Source Reduction of Agricultural Pollutants. The purpose is to achieve the source reduction of nonpoint source agricultural pollutants in an environmentally and economically sound manner.

Mr. DURBIN. The budget request of \$100 million for fiscal year 1995 will allow practices on 4.9 million acres, preventing approximately 13.6 million tons of soil from eroding, and saving 283,000 acre-feet of water. How does this compare to fiscal years 1993 and 1994?

Mr. BUNTROCK. I will provide a table showing that comparison for the record.

[The information follows:]

#### AGRICULTURAL CONSERVATION PROGRAM ACCOMPLISHMENTS

Fiscal year	Acres treated or served (in millions)	Total tons of soil saved (in millions)	Total acre-feet of water conserved
1993 .....	8.8	28.8	562,000
1994 .....	9.8	29.0	605,000
1995 .....	4.9	13.6	283,000

Mr. DURBIN. Please update the table that appears on pages 646 and 647 of last year's hearing record showing the appropriation, number of participants, and average cost per participant to include fiscal years 1993 and 1994.

Mr. BUNTROCK. I would be happy to upate the table for the record.

[The information follows:]

AGRICULTURAL CONSERVATION PROGRAM APPROPRIATION, PARTICIPANTS, AND AVERAGE COST  
PER PARTICIPANT, FISCAL YEARS 1982-94

Fiscal year	Appropriation	Number of Participants	Average cost per participant
1994 .....	\$194,650,000	( <sup>1</sup> )	( <sup>1</sup> )
1993 .....	194,435,000	119,355	\$1,508
1992 .....	194,435,000	120,192	1,415
1991 .....	190,149,528	123,906	1,398
1990 .....	182,369,000	123,782	1,354
1989 .....	176,935,000	124,400	1,315
1988 .....	176,935,000	139,938	1,299
1987 .....	176,935,000	107,321	1,163
1986 .....	180,739,000	116,952	1,083
1985 .....	190,000,000	164,893	990
1984 .....	190,000,000	162,093	901
1983 .....	190,000,000	203,642	821
1982 .....	190,000,000	199,671	764

<sup>1</sup> Not available.

Mr. DURBIN. Also, provide a table similar to the one that appears on page 648 for fiscal year 1993.

Mr. BUNTROCK. I will provide the information for the record.

[The information follows:]

**Agricultural Conservation Program  
FY 1993 SCS Technical Assistance**

State	State Allocations on which technical assistance was performed a/	SCS Technical Assistance	Balance	Percentage of total funds reimbursed for tech. assist. b/
Alabama	5,459,000	272,950	5,186,050	5.00%
Alaska	254,000	12,700	241,300	5.00%
American Samoa	6,000	300	5,700	5.00%
Arizona	2,063,000	93,150	1,969,850	4.52%
Arkansas	4,865,000	243,250	4,621,750	5.00%
California	5,340,000	267,000	5,073,000	5.00%
Colorado	4,474,000	223,700	4,250,300	5.00%
Connecticut	476,000	23,800	452,200	5.00%
Delaware	470,000	23,500	446,500	5.00%
Florida	4,012,000	181,771	3,830,229	4.53%
Georgia	5,439,000	269,450	5,169,550	4.95%
Guam	6,000	300	5,700	5.00%
Hawaii	527,000	26,350	500,650	5.00%
Idaho	3,867,000	193,350	3,673,650	5.00%
Illinois	6,519,000	325,950	6,193,050	5.00%
Indiana	3,622,000	179,749	3,442,251	4.96%
Iowa	6,572,000	328,600	6,243,400	5.00%
Kansas	5,586,000	262,109	5,323,891	4.69%
Kentucky	4,322,000	216,100	4,105,900	5.00%
Louisiana	3,840,000	179,560	3,660,440	4.68%
Maine	2,536,000	126,800	2,409,200	5.00%
Maryland	1,286,000	64,300	1,221,700	5.00%
Massachusetts	495,000	23,571	471,429	4.76%
Michigan	5,055,000	252,750	4,802,250	5.00%
Minnesota	6,804,000	303,450	6,500,550	4.46%
Mississippi	5,373,000	268,650	5,104,350	5.00%
Missouri	7,872,000	379,610	7,492,390	4.82%
Montana	4,790,000	239,500	4,550,500	5.00%
Nebraska	4,859,000	242,950	4,616,050	5.00%
Nevada	776,000	38,800	737,200	5.00%
New Hampshire	906,000	45,300	860,700	5.00%
New Jersey	542,000	57,328	484,672	10.58%
New Mexico	2,363,000	108,200	2,254,800	4.58%
New York	5,185,000	259,250	4,925,750	5.00%
North Carolina	4,446,000	222,300	4,223,700	5.00%
North Dakota	3,912,000	195,600	3,716,400	5.00%
N. Mariana Isl.	6,000	300	5,700	5.00%
Ohio	4,446,000	230,550	4,215,450	5.19%
Oklahoma	4,227,000	211,350	4,015,650	5.00%
Oregon	4,064,000	203,200	3,860,800	5.00%
Pennsylvania	4,697,000	234,850	4,462,150	5.00%
Puerto Rico	489,000	24,450	464,550	5.00%
Rhode Island	61,000	3,050	57,950	5.00%
South Carolina	2,255,000	122,856	2,132,144	5.45%
South Dakota	3,025,000	151,250	2,873,750	5.00%
Tennessee	3,468,000	173,400	3,294,600	5.00%
Texas	16,188,000	790,747	15,397,253	4.88%
Utah	2,195,000	109,750	2,085,250	5.00%
Vermont	1,903,000	86,450	1,816,550	4.54%
Virginia	3,586,000	179,300	3,406,700	5.00%
Virgin Islands	22,000	1,000	21,000	4.55%
Washington	4,592,000	219,500	4,372,500	4.78%
West Virginia	2,259,000	113,712	2,145,288	5.03%
Wisconsin	5,364,000	274,500	5,089,500	5.12%
Wyoming	1,784,000	89,199	1,694,801	5.00%
<b>TOTAL</b>	<b>189,550,000</b>	<b>9,371,412</b>	<b>180,178,588</b>	<b>4.94%</b>

a/ Technical assistance is not performed in hydrologic unit areas or demonstration projects. Funds are not included for these in the State allocation amounts above.

b/ Percentages are based on actual payment data. States that exceed 5% include payments from prior year allocations.



Mr. DURBIN. There is a limitation on the amount a participant can receive per year for ACP. This amount is not more than \$3,500 per year. When was the last time this amount was increased?

Mr. BUNTROCK. The FY 1979 ACP appropriation language increased the ACP payment limitation from \$2,500 per person to \$3,500 per person.

Mr. DURBIN. In your statement, you say that the budget request for the Agricultural Conservation Program will fund only the highest priority practices. Tell us what criteria you will use to select these higher priority practices.

Mr. BUNTROCK. Current ACP procedures direct State ASC committees and county ASC committees in consultation with State and county conservation review groups to determine the priorities within their respective State and county. These priorities depend on the conservation and environmental goals for that State or county and are based on many different factors including public benefits and the producer's incentive to perform conservation practices without assistance. The CRG includes the ASC State or county committee, representatives from the Soil Conservation Service, County Extension Service, Forest Service, Farmers Home Administration, State Forestry or its equivalent, Conservation Districts, State Soil Conservation Commission, State Water Quality Agency, and U.S. Fish and Wildlife Service. Invitations to the CRG meetings are also extended to agencies responsible for wildlife conservation and air and water pollution control, and others having an interest in conservation, the environment, and pollution control.

Ultimately, ACP practices are prioritized locally by the county ASC committees. However, this county committee prioritization process has been criticized as not addressing the most severe conservation and environmental problems. Therefore, comments were requested from the public in a regulation—"Conservation and Environmental Programs Regulation Regarding the Water Quality Incentives Program, Cost-Share Provisions of the Emergency Conservation Program, and Other Revisions" published January, 1994—regarding the manner in which ACP practices could be prioritized to achieve greater conservation and environmental benefits at the least Federal cost.

The request for comments indicated that, although not exclusive, such considerations for prioritization may be based on temporary versus longer-term practices or type of conservation or other environmental benefit. Further, consideration was sought to whether priorities should be established by the National, State, or county ASCS offices.

Moreover, for all the cost-share programs, comments were requested on ways in which the programs can best be targeted in order to ensure that public benefits rather than private benefits are maximized with Federal expenditures. For example, the use of ACP for tile drains may not provide large public benefits. FIP contributions may provide for no public benefits other than an increased supply of timber.

Finally, comments were requested as to whether funds should be targeted toward designated areas with impaired water quality. Similarly, cost-share practices could be selected for a region where they will contribute to an identified problem. Thus, nutrient man-

agement practices would be designated as a cost-share option in areas where nutrients have been identified as a water quality problem.

Mr. DURBIN. In fiscal year 1994 the funding available for the Water Quality Incentives Program—WQIP—was increased by \$3.5 million to a level of \$18.5 million. The budget request proposes to bring this level back to the fiscal year 1993 level of \$15 million. How has the \$18.5 million been allocated?

Mr. BUNTROCK. Initially, \$15 million has been allocated in FY 1994 to 71 new WQIP projects. These 71 projects were selected from 121 applications and were determined to be those with the highest environmental and societal benefits, greater producer interest, and better cooperative efforts among producers and Federal, State, and local agencies. An additional \$21,000 will be allocated to New York for Lake Champlain's Cumberland Bay WQIP and \$105,000 will be allocated to Vermont for the Lower Missisquoi WQIP. The remaining \$3.374 million may be allocated to projects based on need and proven environmental benefits or may be used for annual ACP practices.

Mr. DURBIN. Language included in the fiscal year 1993 conference report expected the ACP regulations to be revised to incorporate WQIP. Testimony given at last year's hearing stated that the revised regulations had been drafted and would be proposed shortly. What is the status of this issue?

Mr. BUNTROCK. The proposed regulations were published in the Federal Register on January 11, 1994. Comments have been received and are being reviewed. A final regulation is being drafted.

Mr. DURBIN. In fiscal year 1993, \$5 million of ACP funds were allocated to water quality projects other than WQIP. Have any fiscal year 1994 funds been allocated the same way? If so, please describe the projects.

Mr. BUNTROCK. No fiscal year 1994 funds have been used for such projects. A small amount of prior year water quality project funds have been returned to the National level and reallocated to existing water quality projects. Such reallocations of prior year funds amount to \$1,159,215.

Mr. DURBIN. During fiscal year 1993, funds totalling \$1.1 million were allocated to two States for special water quality projects. New York received \$400,000 and Vermont received \$700,000. Would you describe these projects in further detail for the record?

Mr. BUNTROCK. The ACP's Water Quality Projects included five counties adjacent to Lake Champlain in New York and three counties in Vermont. The project in New York is known as the Lake Champlain Empire Basin while in Vermont, the three counties are covered by two projects as the Lower Lamoille River Project and the Lower Lake Champlain Direct Project. The broad-based objective of these three projects is to offer a cost-share incentive to agricultural producers to install ACP practices that will result in significant water quality improvement in Lake Champlain. Phosphorus and sediment are targeted for reduction in both States, while pesticides are an additional concern in New York. In all three projects, assistance is targeted to dairy producers to assist them with construction of waste management systems. This includes the proper handling, storage, and application of animal wastes.



Mr. DURBIN. Are these projects receiving funding in fiscal year 1994?

Mr. BUNTROCK. No. In FY 1994, no current or prior year funds have been allocated to water quality special projects.

Mr. DURBIN. Last year, Mr. Weber testified that you only had one WQIP practice known as Source Reduction of Agricultural Pollutants, but that this practice had a number of management techniques. Is this still the case?

Mr. BUNTROCK. Yes. The only program practice under WQIP is WQP1, Source Reduction of Agricultural Pollutants. WQP1 provides incentive payments for the implementation of management oriented measures. There are 36 technical practices that may be installed under WQIP. The SCS or other designated technical agencies will determine the needed technical practices to address the specific water quality resource management problems on the farm or ranch. I will provide a list of those 36 technical practices for the record.

[The information follows:]

#### WQIP MANAGEMENT TECHNIQUES

- Brush management.
- Conservation covers.
- Conservation cropping sequence.
- Conservation tillage.
- Contour farming.
- Cover and green manure crop.
- Critical area planting.
- Crop residue use.
- Deferred grazing.
- Filter strip.
- Grasses and legumes in rotation.
- Grazing land mechanical treatment.
- Integrated crop management system.
- Irrigation water management.
- Livestock exclusion.
- Mulching.
- Pasture and hayland management.
- Pasture and hayland planting.
- Planned grazing system.
- Prescribed burning.
- Proper grazing use.
- Proper woodland grazing.
- Range seeding.
- Record keeping.
- Regulating water in drainage systems.
- Row arrangement.
- Stripcropping—contour.
- Stripcropping—field.
- Stripcropping—wind.
- Toxic salt reduction.
- Waste management system.
- Waste utilization.
- Well testing.
- Wildlife upland habitat management.
- Wildlife wetland habitat management.
- Windbreak renovation.

Mr. DURBIN. Provide a table showing the average cost per acre of land treated and the number of producers participating in the program since the program began in fiscal year 1992. Also include estimates for fiscal year 1995.

Mr. BUNTROCK. I will provide it for the record.



[The information follows:]

# WATER QUALITY INCENTIVE PROJECTS

Year	Number of participants	Average cost per acre
1992 .....	219	\$7.02
1993 .....	1,192	7.51
1994 estimate .....	3,100	7.72
1995 estimate .....	3,000	7.94

Mr. DURBIN. I understand that the Soil Conservation Service collects data on the cumulative non-point source pollution reduction achieved and the methods used to achieve the reduction. Please provide a summary of this information to the Committee. Were any conclusions made as to which methods are most cost effective?

Mr. BUNTROCK. I will provide a copy of the Soil Conservation Service report for the record.

[CLERK'S NOTE.—The report is too lengthy for reprint. A copy is retained in Committee files.]

Mr. DURBIN. How were WQIP funds allocated to the States in fiscal year 1994?

Mr. BUNTROCK. WQIP applications were generally developed at the county level, by ASCS, SCS, ES, farm groups, and local government officials. These applications were submitted to the State ASCS office where an interagency team comprised of Federal and State officials reviewed and ranked them. The State ASCS office could submit up to four applications to the national office for consideration. An interagency team comprised of water quality professionals from ASCS, SCS, EPA, FS, USGS, ERS, and ES reviewed and ranked the 121 applications that were submitted. Each project was rated by at least 8 of the 16 team members, and the average score was used to rank the projects. Ranking was based on presence of a water quality problem that could be improved by the project; adequate technical and financial resources and commitment of local producers to solve the problem; and societal benefits that would accrue by implementing the project. The highest ranked 71 applications were selected for funding.

Mr. DURBIN. Provide a list, by State, of projects that received funding and how much each received.

Mr. BUNTROCK. I will provide that for the record.

[The information follows:]

## WQIP Projects

State	Project Name	Affected Counties	Project Acres	Funding
Alabama	Blackburn Fork	Blount	64,600	\$300,000
Alabama	Double Bridges Creek	Coffee, Geneva	116,000	\$300,000
Alabama	Northeast Yellow River	Covington, Coffee, Crenshaw	101,200	\$300,000
Arkansas	Lower Reach of the Poteau River	Scott	61,680	\$229,000
Arkansas	Middle Reach of Kings River	Madison	42,128	\$275,000
Arkansas	Osage Creek of Illinois River	Benton	53,536	\$300,000
Arkansas	Second Creek of L'anguille River	Woodruff, Cruff, St. Francis	38,400	\$300,000
California	Western Stanislaus	Stanislaus	4,200	\$ 76,000
Delaware	Delaware River	New Castle	63,500	\$136,000
Georgia	Middle Fork Broad River	Franklin, Habersham, Stephens, Banks	98,703	\$300,000
Georgia	Shoal Creek	Hart, Franklin	57,067	\$300,000
Georgia	Soap Creek	Lincoln, Wilkes	80,778	\$203,000
Georgia	Upper Chattooga River and Upper Chickamauga Creek	Chattooga, Walker	62,500	\$203,000
Illinois	Decatur Tribs	Macon	23,840	\$200,000
Illinois	Glenn Shoals	Montgomery	56,220	\$297,000
Illinois	Laclede	Fayette	4,400	\$62,000
Illinois	Otter Lake	Macoupin	12,990	\$86,000
Iowa	Beed's Lake	Franklin	18,966	\$300,000

State	Project Name	Affected Counties	Project Acres	Funding
Iowa	Ellis, Morris, Red Haw Lakes	Lucas	6,276	\$127,000
Iowa	Lake Icaria	Adams	17,500	\$237,000
Iowa	Storm Lake	Buena Vista	18,000	\$300,000
Kentucky	Fleming Creek	Fleming	61,670	\$152,000
Kentucky	Strodes Creek Watershed	Bourbon, Clark	51,020	\$101,000
Indiana	Upper Laughery/Ripley Creek Watershed	Ripley, Decatur, Franklin	64,000	\$253,000
Maine	Bagaduce Narrows Watershed	Hancock	44,500	\$51,000
Maine	Chandler and Indian River Watershed	Washington	75,717	\$136,000
Maine	Orland River Watershed	Hancock	63,720	\$51,000
Maryland	Lower Elk River	Cecil	48,500	\$253,000
Maryland	Sassafras River	Kent	32,000	\$253,000
Maryland	Zekiah Swamp	Charles, Prince George's	62,303	\$128,000
Michigan	Duff Creek Watershed	Sanilac	10,400	\$188,000
Michigan	Paw Paw River Basin	Van Buren	26,030	\$300,000
Michigan	Sycamore Creek Watershed	Ingham	67,738	\$300,000
Minnesota	Middle Branch Whitewater River	Olmstead, Winona	38,600	\$152,000
Minnesota	Stony/Getchel/Unna med Creeks	Stearns	63,976	\$300,000
Missouri	Lewistown - LaBelle	Lewis	1,873	\$93,000
Missouri	Marceline City Lake	Chariton, Linn	2,400	\$85,000



State	Project Name	Affected Counties	Project Acres	Funding
Missouri	Smithville Lake	Clay, Clinton, Dekalb	126,100	\$292,000
Montana	Fort Shaw Irrigation Area	Cascade	10,225	\$177,000
Nebraska	Frenchman/Republican	Hitchcock, Red Willow	64,000	\$300,000
Nebraska	Holt County	Holt	63,040	\$300,000
Nebraska	Recharge Lake Pesticide Management	York	7,400	\$202,000
Nebraska	Seward Wellhead Protection Area	Seward	5,264	\$180,000
New Jersey	Lower Musconetcong	Hunterdon, Warren, Morris	38,397	\$201,000
New York	Deer River	Lewis	62,129	\$113,000
New York	Lake Neatawhanta	Oswego	10,800	\$106,000
New York	Pike Creek	Franklin	20,445	\$200,000
North Dakota	Big Coule Dam	Roulette, Towner	26,400	\$300,000
North Dakota	Renwick, Homme, & Mt. Carmel and Icelandic Aquifer	Pembina, Cavalier, Walsh	47,000	\$300,000
Ohio	Dillion Lake Watershed	Muskingum	39,575	\$53,000
Ohio	Sandusky River Head Waters	Crawford, Richland	51,550	\$300,000
Ohio	Swamp Creek Watershed	Darke	40,896	\$223,000
Oregon	Dairy Creek Watershed	Washington	64,000	\$300,000
Oregon	Lower Umatilla Basin	Umatilla	64,000	\$162,000
Oregon	Ontario	Malheur	64,000	\$300,000

State	Project Name	Affected Counties	Project Acres	Funding
Pennsylvania	Jordan Creek Watershed	Lehigh	52,074	\$96,000
Pennsylvania	Neshaminy Creek Watershed	Bucks	34,472	\$162,000
South Carolina	Chattooga/Tugaloo/Chauga	Oconee	128,000	\$300,000
South Carolina	Salkehatchie	Allendale, Bamberg, Colleton, Hampton	128,000	\$296,000
South Carolina	Sea Islands	Charleston	96,675	\$292,000
South Dakota	Big Stone Lake/Long Hollow Creek	Roberts	48,614	\$120,000
South Dakota	Lodgepole Creek Sub-Watershed	Perkins	60,848	\$76,000
South Dakota	Mina Lake	Edmunds, McPherson, Brown	36,00	\$298,000
Utah	Piute-Marysvale	Piute	102,900	\$300,000
Utah	Upper Sanpitch River-Gunnison Reservoir	San Pete	60,720	\$300,000
Utah	Chalk Creek Watershed	Summitt, Utah	125,000	\$300,000
Vermont	Lower Winooski River Watershed	Addison, Chittenden	125,880	\$116,000
Virginia	Northampton County	Northampton	64,000	\$203,000
Washington	Columbia Basin	Grant	47,540	\$120,000
West Virginia	Lost River	Hardy	117,200	\$182,000
Wisconsin	Stevens Point, Whiting, Plover Wellhead Protection	Portage	69,100	\$203,000
TOTALS	71	----	3,819,215	\$15,000,000

Mr. DURBIN. Please update the table that appears on page 645 of last year's hearing record to reflect fiscal year 1994 actuals and fiscal year 1995 estimates.

Mr. BUNTROCK. I will provide that, as requested, for the record. [The information follows:]



**AGRICULTURAL CONSERVATION PROGRAM  
WATER QUALITY FUNDING**  
(Dollars in thousands)

	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995
<b>Water Quality:</b>								
National Demonstration Projects			889 (889)	1,800 (889) (900)	1,800 (889) (900)	900 (0) (900)	0 (0) (0)	0 (0) (0)
1990 Projects								
1991 Projects			8	8	0	0	0	0
Number of New Projects								
USDA - Nonpoint Source Hydrologic Units			7,000 (7,000)	12,100 (5,000) (7,100)	12,100 (5,000) (7,100)	3,000 (0) (3,000)	0 (0) (0)	0 (0) (0)
1990 Projects								
1991 Projects			37	37	0	0	0	0
Number of New Units								
ACP Special Projects	6,795	11,717	11,930	9,100	9,100	1,100	0	0
Water Quality Incentive Practices						15,000	15,000	15,000
<b>Total</b>	<b>6,795</b>	<b>11,717</b>	<b>19,819</b>	<b>23,000</b>	<b>29,750</b>	<b>20,000</b>	<b>15,000</b>	<b>15,000</b>

## DAIRY INDEMNITY PROGRAM

Mr. DURBIN. Provide a list of States that received dairy indemnity payments in fiscal year 1993 and how much each received.

Mr. BUNTROCK. I will provide that for the record.

[The information follows:]

*Fiscal Year 1993 Dairy Indemnity Program*

State:	Payments
Arizona .....	\$16,783
Florida .....	10,963
Georgia .....	22,639
Illinois .....	3,547
Kansas .....	2,455
Missouri .....	5,862
Nebraska .....	12,217
Ohio .....	18,745
Tennessee .....	3,273
Texas .....	21,558
Wisconsin .....	1,587
Undistributed .....	500
Total program, net outlays .....	\$120,129

Mr. DURBIN. Do you anticipate any payments to be made in fiscal year 1994?

Mr. BUNTROCK. The current estimate is that approximately \$300,000 will be paid on claims in FY 1994. As of today, payments of \$277,664 have been made. I will provide a table for the record showing 1994 payments by State.

[The information follows:]

## FISCAL YEAR 1994 DAIRY INDEMNITY PROGRAM PAYMENTS

[As of March 9, 1994]

State	Contaminant	Payments
Arizona .....	DDE Pesticide .....	\$137,941
Georgia .....	Aflatoxin .....	35,849
Hawaii .....	Chlordane .....	12,670
Illinois .....	Aflatoxin .....	1,220
Iowa .....	Counter 15-g .....	1,734
Kansas .....	Aflatoxin .....	14,273
New Mexico .....	Aflatoxin .....	60,233
New York .....	Counter 15-g .....	6,786
Oklahoma .....	Aflatoxin .....	4,594
Texas .....	Aflatoxin .....	2,364
Total .....		277,664

Mr. DURBIN. How much is currently available in the Treasury for this program?

Mr. BUNTROCK. As of March 9, we have \$322 thousand in unallocated funds available to respond to dairy claims. These are carryover funds from fiscal year 1993.

## EMERGENCY CONSERVATION PROGRAM

Mr. DURBIN. For the Emergency Conservation Program, ECP, you show an unobligated balance expiring of \$4.1 million. Please explain this since funds in this account are available until expended.

Mr. BUNTROCK. P.L. 102-368 provided supplemental funding of \$27 million for the areas affected by Hurricanes Andrew and Iniki

and Typhoon Omar. This legislation specified that the funds had to be obligated by September 30, 1993, or returned to the Treasury. Also, \$31.367 million was transferred from the Conservation Reserve Program unobligated balance under the Secretary's 7 percent interchange authority and merged with the supplemental. As of September 30, 1993, \$54,286,342 was obligated, and \$4,080,658 was unobligated and lapsed.

Mr. DURBIN. There is a table in the explanatory notes that show fiscal year 1993 outlays by State. Two States show a negative outlay, Illinois and Maryland. Please explain this.

Mr. BUNTROCK. The negative outlays at the end of fiscal year 1993 represent accounting adjustments to prior year payments.

Mr. DURBIN. For the record, please provide a list of the States and the funds obligated for each under ECP in fiscal year 1993 and to date in fiscal year 1994.

Mr. BUNTROCK. I will be happy to provide that for the record.  
[The information follows:]



## Emergency Conservation Program Obligations

State	1993 Actual	1994 As of March 9
<b>Ongoing Program:</b>		
Alabama	\$267,343	-\$13,446
Arizona	842,359	329,536
Arkansas	-40,042	-11,663
California	244,191	208,673
Colorado	0	10,911
Connecticut	89,733	6,300
Florida	19,178	0
Georgia	620,211	-54,628
Hawaii	200,890	0
Idaho	326,544	-106,057
Illinois	212,710	106,023
Indiana	91,330	6,793
Iowa	347,699	252,530
Kansas	-1,385	0
Kentucky	39,703	-3,468
Louisiana	-39,145	-2,363
Maine	222,498	-3,911
Maryland	0	0
Massachusetts	-11,027	0
Michigan	38,617	6
Minnesota	8,598	11,585
Mississippi	210,967	-3,475
Missouri	76,934	220,755
Montana	-369,067	61,069
Nebraska	845,627	-12,882
Nevada	126,575	0
New Mexico	7,589	48,739
New York	2,837	0
North Carolina	-17,021	0
Ohio	-37,333	67,331
Oklahoma	70,287	37,573
Oregon	-1,359	3,729
Pennsylvania	-641	768
Puerto Rico	-18,766	0
South Carolina	775,802	19,370
South Dakota	80,758	-24,469
Texas	-643,773	-97,253
Utah	18,565	13,381
Vermont	20,681	0
Virginia	12,404	0
Washington	-104,704	0
West Virginia	11,764	0
Wisconsin	-304	0
Wyoming	1,658	0
Undistributed	119,887	-120,502
SCS Technical Assistance	717,182	27,347
Subtotal	5,386,544	978,296
<b>Hurricanes Andrew &amp; Iniki, Typhoon Omar:</b>		
Florida	44,847,564	0
Guam	76,745	0
Hawaii	1,992,646	0
Louisiana	5,737,628	0
Mississippi	13,087	0
Undistributed	436,672	0
SCS Technical Assistance	1,180,000	0
Subtotal	54,286,342	0
<b>Fencing:</b>		
Florida	0	0
<b>Midwest Flood:</b>		
Illinois	0	337,933
Iowa	0	4,683,205
Kansas	0	145,025
Minnesota	0	147,310
Missouri	0	2,140,107
Nebraska	0	445,990
North Dakota	0	7,726
South Dakota	0	784,588
Wisconsin	0	1,286
Undistributed	0	7
SCS Technical Assistance	0	88,400
Subtotal	0	8,781,577
Subtotal, ASCS	57,775,704	9,644,126
Subtotal, GCS	1,897,182	115,747
Total, Available or Estimate	59,672,886	9,759,873

NOTE: Negative obligations represent deobligation of prior years' obligations.

Mr. DURBIN. What is the backlog, if any, of projects requesting ECP funding?

Mr. BUNTROCK. There is no backlog of requests at this time, Mr. Chairman.

Mr. DURBIN. The maximum cost-share payment under ECP is \$200,000 per person, per disaster, including pooling agreements. Describe what pooling agreements are.

Mr. BUNTROCK. A pooling agreement is a substantial pooling of resources, efforts, finances, or other contributions by two or more eligible persons on two or more farms to solve a mutual conservation or environmental problem such as restoration of a damaged waterway along the property line of two farms. Because both farms benefit from the waterway, each producer would contribute to the cost of restoring the practice.

Mr. DURBIN. Please update the table that appears on page 22g-47 of the explanatory notes showing appropriations and outlays and include a copy of it at this point in the record.

Mr. BUNTROCK. I will provide the information for the record.  
[The information follows:]

Emergency Conservation Program  
Appropriations and Outlays  
Fiscal Years 1957–1994

Fiscal Year	Appropriation	Outlays
1957	\$4,000,000	\$931,800
1958	20,000,000	1,975,898
1959	--	3,211,377
1960	--	897,656
1961	--	549,201
1962	5,000,000	8,796,544
1963	--	2,701,428
1964	4,000,000	3,392,835
1965	14,000,000	10,007,537
1966	24,000,000	13,189,570
1967	5,000,000	5,701,969
1968	5,000,000	5,403,016
1969	5,000,000	7,143,935
1970	5,000,000	8,303,981
1971	5,000,000	12,364,588
1972	12,000,000	7,407,073
1973	25,000,000	9,227,765
1974	10,000,000	18,195,465
1975	10,000,000	8,152,886
1976	10,000,000	11,242,440
TQ	2,500,000	3,399,204
1977	10,000,000	15,858,888
1978	30,000,000	15,496,330
1979	10,000,000	23,384,000
1980	35,000,000	22,196,759
1981	10,000,000	15,700,695
1982	8,800,000	4,400,132
1983	--	9,854,249
1984	19,000,000	15,488,359
1985	--	11,415,369
1986	5,000,000	7,098,964
1987	10,000,000	4,656,594
1988	1,000,000	4,763,344
1989	5,000,000	7,893,738
1990	29,927,000	12,256,527
1991	9,999,870	13,245,469
1992	22,500,000 1/	8,854,177
1993	89,667,000 2/	27,431,669
1994	25,000,000 3/	11,961,817 4/
<b>TOTAL</b>	<b>\$486,393,870</b>	<b>\$374,153,248</b>

1/ Excludes \$10.5 million in contingency funds provided by P.L. 102–368, which were made available on December 30, 1992.

2/ Includes \$10.5 million in contingency funds provided by P.L. 102–368, which were made available on December 30, 1992; \$31.367 million transferred from CRP under the authority of 7 U.S.C. 2257; \$30.0 million provided by the FY 1993 Midwest Flood Supplemental; \$14.8 million transferred from FmHA; and \$3.0 million provided by FY 1993 regular appropriation, P. L. 102–341.

3/ Provided by the Emergency Supplemental Appropriations Act of 1994, P. L. 103–211, enacted February 12, 1994.

4/ As of February 28, 1994.



## FORESTRY INCENTIVES PROGRAM

Mr. DURBIN. For the Forestry Incentives Program—FIP—you do not propose to delete the reference to technical assistance in the appropriation language and request it directly from SCS. Why is this account treated differently?

Mr. BUNTROCK. Since the Forestry Incentives Program receives technical assistance only from the Forest Service and not from the Soil Conservation Service, the reference to technical assistance was retained in the language.

Mr. DURBIN. The Forest Service administers a program similar to FIP called the Stewardship Incentive Program—SIP. Tell the Committee how these two programs are alike and different.

Mr. BUNTROCK. The objective of FIP is to increase the nation's supply of timber production through tree planting, timber stand improvement, and site preparation for natural regeneration. FIP cost-sharing is available to nonindustrial, private forest landowners if the forestland is capable of producing at least 50 cubic feet of wood per acre per year.

SIP is also a cost-sharing program available to nonindustrial, private landowners but has broader objectives, including the establishment, management, maintenance, and restoration of forests for shelterbelts, windbreaks, aesthetic quality, and other conservation purposes; the protection, restoration, and use of forest wetlands; the enhanced management and maintenance of native vegetative cover on lands vital to water quality; the growth and management of trees for energy conservation; and the management and maintenance of fish and wildlife habitat, and outdoor recreational opportunities.

Mr. DURBIN. What is the budget request for SIP in fiscal year 1995 and how does it compare to the fiscal year 1994 level?

Mr. BUNTROCK. In FY 1995 budget requests \$22.4 million for SIP, compared to the \$17.9 million that was appropriated for fiscal year 1994.

Mr. DURBIN. FIP is available in designated counties based on a Forest Service survey of total eligible private timberland available for potential production of timber products. How often is this survey done? What were the results of the last survey?

Mr. BUNTROCK. The Private Forest-Land Owners of the United States report was based on a survey conducted in 1978 and has been out of print for several years. The 1978 survey reported 7.8 million private forest landowners. We believe that there have been significant changes in landowner numbers, in distribution of ownership by acreage size classes, and in landowner demographics and objectives since 1978. The report contains National and regional information but no State information.

A new landowner survey now in progress is designed to eliminate these concerns by providing current, reliable landowner information at the National, regional, and State levels. However, we don't know when this survey will be complete.

Mr. DURBIN. Forestry studies indicate that over 30 percent of all tree planting on nonindustrial, private lands is accomplished through FIP. What would happen if this program were no longer available?

Mr. BUNTROCK. Timber from National Forest lands is in sharp decline. Since 1974, through FIP, 2.9 million acres of tree planting at an average cost of \$56.48 per acre has been accomplished. Demand for FIP assistance has consistently exceeded available funding. FIP tree planting is an important component of carbon sequestration under the Global Climate Change initiative. The program is well managed with low technical assistance costs; 90 percent of FIP funding goes to individual landowners to cost-share on forestry practices. Timber harvest to meet domestic wood needs is rapidly increasing on nonindustrial, private forestlands. Partly because demand for FIP assistance is high, ASCS is able to choose the best sites for financial assistance. The Department has asked for comments from the public on targeting FIP assistance toward those sites where additional public benefits such as water quality improvement or protection may accrue.

Mr. DURBIN. Please update the table that appears on page 652 of last year's hearing record showing the funding and number of participants in the program to include fiscal year 1993 actuals and fiscal year 1994 estimates.

Mr. BUNTROCK. It is too early to accurately estimate the number of participants in 1994, but I will update the table to reflect fiscal year 1993 actual data and the fiscal year 1994 appropriation.

[The information follows:]

FORESTRY INCENTIVES PROGRAM FUNDING AND NUMBER OF PARTICIPANTS, FISCAL YEARS 1987  
THROUGH 1994

Fiscal year	Appropriation	Number of participants
1987 .....	\$11,891,000	4,060
1988 .....	11,891,000	5,168
1989 .....	12,446,000	5,048
1990 .....	12,446,000	4,760
1991 .....	12,446,000	5,417
1992 .....	12,446,000	5,179
1993 .....	12,446,000	5,467
1994 .....	12,820,000	( <sup>1</sup> )

<sup>1</sup> Not available.

Mr. DURBIN. Since the program was started in fiscal year 1975, what have the total payments been and what would the current estimated value be of all trees planted under this program?

Mr. BUNTROCK. From fiscal year 1975 through 1993, \$206.2 million in cost shares has been paid to participants. The current estimated value of all trees planted under FIP is \$466 million. The current value is derived from the revenues expected from harvest. Rotations to economic maturity range from 40 to 50 years in the South to over 100 years in the West.

Mr. DURBIN. What are the States' minimum and maximum cost-share levels for each practice? Provide a listing, by State, for the record.

Mr. BUNTROCK. States are permitted to set a maximum cost-share level for FIP of 65 percent for each practice but may set them lower. Some States establish their rates at the lower of a specified percentage of cost or fixed amount per acre. I will provide a table for the record showing percentages actually used in each State during FY 1993.

[The information follows:]

## Maximum Cost-Share Levels for FIP

State	FP1 Tree Planting	FP2 Timberstand Improvement	FP3 Site Prep for Natural Regeneration
Alabama	65	65	65
Alaska	65	65	65
Arizona	65	65	65
Arkansas	50	50	50
California	65	65	65
Colorado	65	65	65
Connecticut	65	65	65
Delaware	65	65	65
Florida	65	65	65
Georgia	65	65	65
Hawaii	65	65	
Idaho	65	65	65
Illinois	65	65	65
Indiana	65	65	65
Iowa	65	65	65
Kansas	65	65	
Kentucky	65	65	65
Louisiana	50	50	50
Maine	65	65	65
Maryland	65	65	65
Massachusetts	50	50	
Michigan	65	65	
Minnesota	65	65	65
Mississippi	65	65	65
Missouri	65	65	65
Montana	65	65	65
Nebraska	65	65	
Nevada	65	65	
New Hampshire	65	65	65
New Jersey	65	65	65
New Mexico	65	65	65
New York	65	65	65
North Carolina	50	50	50
North Dakota	65	65	
Ohio	65	65	65
Oklahoma	65	65	65
Oregon	65	65	
Pennsylvania	65	65	65
Puerto Rico	65	65	
Rhode Island	65	65	65
South Carolina	65	65	65
South Dakota	65	65	65
Tennessee	65	65	65
Texas	50	50	
Utah (no FIP program)			
Vermont	65	65	65
Virginia	65	65	65
Virgin Islands (no FIP program)			
Washington	65	65	65
West Virginia	65	65	65
Wisconsin	65	65	65
Wyoming	65	65	
U.S. Average	3,175	3,175	



## RURAL CLEAN WATER PROGRAM

Mr. DURBIN. Please describe the Rural Clean Water Program in further detail for the record.

Mr. BUNTROCK. The RCWP is an experimental program funded in 1980 and 1981 to test means of controlling agricultural non-point source pollution. I will submit a written summary for the record to provide you a complete description of the program.

[The information follows:]

### Rural Clean Water Program

The experimental Rural Clean Water Program--RCWP--is authorized by the Agriculture, Rural Development and Related Agencies Appropriation Acts of 1980 (P. L. 96-108) and 1981 (P. L. 96-528).

In fiscal years 1980 and 1981, \$50 million and \$20 million respectively were appropriated for carrying out the RCWP, to remain available until expended. In FY 1987, \$6 million of the \$70 million was rescinded to assist in reducing the national budget deficit.

The RCWP provides financial and technical assistance to agricultural landowners and operators in 21 selected areas throughout the United States where practices specifically targeted to significant agriculture-related water pollution and water quality problems are needed.

The objectives of the RCWP are:

- (a) to achieve improved water quality in the approved project area in the most cost-effective manner possible in keeping with the provision of adequate supplies of food, fiber, and a quality environment,
- (b) to assist agricultural landowners and operators to reduce agricultural nonpoint source water pollutants and to meet water quality standards or water quality goals, and
- (c) to develop and test programs, policies, and procedures for the control of agricultural nonpoint source pollution.

Full funding was provided for all projects on a current dollar basis. Application of the construction cost index (from the Department of Commerce Composite of Construction Cost Index, Bureau of the Census, Construction Statistics Division) to the original approvals was used to project future budgetary requirements. The program requires no additional funding.

The program is administered by the Agricultural Stabilization and Conservation Service in cooperation with soil conservation districts, State soil and water conservation or water quality agencies, Forest Service, Extension Service, and the Environmental Protection Agency. The Soil Conservation Service (SCS) is responsible for coordinating technical assistance. National, State and local Rural Clean Water Coordinating Committees, representing agencies concerned with water quality, are responsible for ensuring effective program coordination.

To participate in RCWP, landowners or operators in the selected project areas entered into contracts to carry out a water quality plan. Eligibility was limited to privately-held agricultural lands, Indian tribal lands and land owned by irrigation districts.

The water quality plans, developed with technical assistance and certification by SCS, were approved by the Soil Conservation District. The plan must include appropriate Best Management Practices (BMP's) for the treatment of all critical areas or sources of pollution within the project area, whether or not the practice is cost-shared or receives technical assistance.

BMP's are those practices which reduce pollutants entering a stream, lake, or underground water or prevent pollutants from leaving their source. Practices must provide long-term community-wide benefits to be approved.

All requests for RCWP contracts must have been submitted to and approved by county ASC committees in the selected areas before cost-sharing payments were provided for any practice. RCWP contracts run from 3 to 10 years, depending on the applicant's water quality plan. Contracts may be modified where there is a change in the status of the participant, the land under agreement, or farming operations. All cost-shared practices must be maintained for a minimum of 5 years after installation, or for the established lifespan of the contract if over 5 years, unless otherwise approved.

The maximum federal cost-share level is 75 percent. There is no annual limitation, but total RCWP payments to a participant are limited to \$50,000.



Mr. DURBIN. Under this program, you state that full funding has been provided for all projects, yet you show estimated cost-sharing to farmers of \$259,117 for fiscal year 1994. Why is this and where did this funding come from?

Mr. BUNTROCK. Full funding was allocated to the States based on cost and contract approval during fiscal years 1980 and 1981. However, the \$259,117 for fiscal year 1994 represents funds released by States to the national level when actual costs were lower than allocations for the RCWP projects. States returned these funds to the national level once the projects had been completed and payments had been made.

Mr. DURBIN. Full funding for the program was provided in fiscal years 1980 and 1981. The last contracts signed were in 1990. Why was there a delay of nine years in starting some of the projects?

Mr. BUNTROCK. Due to the new and unusual nature of RCWP, it became necessary to grant waivers in some of the individual projects to allow them additional time to enter into sufficient contracts to effectively meet the program's stated goals and objectives. The last year for contracting was 1990.

Mr. DURBIN. What is the status of the projects funded? Provide a list of each project along with a brief description, the total cost, and estimated completion date.

Mr. BUNTROCK. We are not able to precisely indicate the completion date of the RCWP as we will be paying cost shares to contract holders who complete BMP's scheduled late in their agreements. A description of each project is available in the EPA publication entitled Evaluation of the Experimental Rural Clean Water Program—May 1993. We will provide you a copy of this publication, and a chart for the record that shows the total cost and current status of each project.

[The information follows:]

## RURAL CLEAN WATER PROGRAM PROJECTS

Project	Location	Actual Cost 1/	Status
Lake Tholocco	Alabama	\$1,772,064	Implemented in 1980. 80% of its critical acres are under contract.
Appoquinimink	Delaware	887,256	Implemented in 1980. 87% of its critical acres are under contract.
Taylor Creek-Nubbin Slough/Lower Kissimmee River	Florida	3,278,631	The Taylor Creek-Nubbin Slough project was implemented in 1981. 87% of its critical acres are under contract. Lower Kissimmee River was added in 1988. 58% of its critical acres are under contract.
Rock Creek	Idaho	5,376,943	Implemented in 1980. 73% of its critical acres are under contract. Selected as one of five comprehensive monitoring and evaluation (CM&E) projects.
Highland Silver Lake	Illinois	3,974,691	Implemented in 1980. 82% of its critical acres are under contract. A CM&E project.
Prairie Rose Lake	Iowa	655,891	Implemented in 1980. 97% of its critical acres are under contract.
Upper Wakarusa	Kansas	2,131,691	Implemented in 1980. Has been terminated.
Reelfoot Lake	Kentucky	900,443	Implemented in 1980. 65% of its critical acres are under contract.
Bonne Idee	Louisiana	4,234,762	Implemented in 1980. 75% of its critical acres are under contract.
Double Pipe Creek	Maryland	5,064,038	Implemented in 1980. 100% of its critical acres are under contract.
Westport River	Massachusetts	667,085	Implemented in 1981. 67% of its critical acres are under contract.
Saline Valley	Michigan	2,613,885	Implemented in 1980. 32% of its critical acres are under contract.
Garvin Brook	Minnesota	2,580,422	Implemented in 1981. 42% of its critical acres are under contract.
Long Pine Creek	Nebraska	2,409,388	Implemented in 1981. 79% of its critical acres are under contract.

Project	Location	Actual Cost <sup>1/</sup>	Status
Tillamook Bay	Oregon	5,447,461	Implemented in 1981. 99% of its critical acres are under contract.
Conestoga Headwaters	Pennsylvania	4,051,797	Implemented in 1981. 40% of its critical acres are under contract. A CM&E project.
Oakwood-Lake Poinsett	South Dakota	3,552,215	Implemented in 1981. 61% of its critical acres are under contract. A CM&E project.
Reelfoot Lake	Tennessee	4,384,462	Implemented in 1980. 58% of its critical acres are under contract.
Snake Creek	Utah	373,553	Implemented in 1980. 100% of its critical acres are under contract.
St. Albans Bay	Vermont	5,089,482	Implemented in 1980. 75% of its critical acres are under contract. A CM&E project.
Nansemond-Chuckatuck	Virginia	2,152,814	Implemented in 1981. 75% of its critical acres are under contract.
Lower Manitowoc	Wisconsin	2,399,205	Implemented in 1980. 57% of its critical acres are under contract.
Subtotal		63,998,179	
Technical Assistance, National Association of Conservation Districts		1,821	
TOTAL		\$64,000,000	

- <sup>1/</sup> Includes funds for best management practices, information and education, Federal and nonfederal technical assistance, and comprehensive monitoring and evaluation. A best management practice is a single practice or a system of practices to improve water quality included in the approved RCWP project application that reduces or prevents agricultural nonpoint source pollution. Comprehensive monitoring and evaluation involves the monitoring of water quality analysis of samples, evaluation of results, and analysis of socioeconomic impact on the affected population.



[CLERK'S NOTE.—The publication is too lengthy for reprint. A copy is retained in Committee files.]

Mr. DURBIN. The effectiveness of these practices in reducing pollutants is being evaluated. When can we expect to see the results of these evaluations?

Mr. BUNTROCK. Evaluations of RCWP practices have been released. This information is available in two EPA publications, Seminar Publication—The National Rural Clean Water Program Symposium—August 1992, and the one I mentioned, Evaluation of the Experimental Rural Clean Water Program—May 1993. We will provide you with copies of both of these.

[CLERK'S NOTE.—These publications are retained in Committee files.]

Mr. DURBIN. How does this program compare to WQIP?

Mr. BUNTROCK. The RCWP and WQIP are both targeted water quality programs designed to achieve the source reduction of agricultural pollutants to our Nation's water resources. RCWP used primarily agronomic and structural conservation practices along with technical assistance and education programs to achieve the program goals. The RCWP also relied on a strong monitoring and evaluation component as a part of the program.

The WQIP provides incentive payments to producers to implement changes in their management systems that will achieve the source reduction of agricultural pollutants. All WQIP payments are made based on a whole farm water quality plan developed by the SCS or other designated technical agency. WQIP does not provide financial assistance for structural components such as terraces or animal waste structures. WQIP does not have the funding to support the monitoring and evaluation effort that the RCWP utilized. In many cases, State and other agencies are providing some monitoring and evaluation efforts for the WQIP.

Mr. DURBIN. In the explanatory notes, you provide a list of lessons learned from the RCWP experience. Were these lessons incorporated when you established the WQIP program?

Mr. BUNTROCK. The WQIP incorporated many lessons learned from RCWP into the operating procedure. We learned, for example, that changes in management systems are one of the cost-effective means to achieve the source reduction of agricultural pollutants, and that a project is more effective if it focuses on smaller watershed areas and specific pollutants that can be addressable with WQIP. We also learned of the need for up front establishment of specific project goals and objectives, and priority to projects where there is strong producer support and commitment of resources by implementing agencies.

#### WATER BANK PROGRAM

Mr. DURBIN. Under the Water Bank program, the landowner agrees not to drain, burn, fill or otherwise destroy the wetland character of such areas. Since this program began we have had Swampbuster and other provisions that prevent a farmer from doing these things if he or she wants to continue to be eligible for farm programs. Tell the Committee why we continue to need this program.

Mr. BUNTROCK. The WBP is needed to protect those adjacent wetlands that may not be protected from destruction under the swampbuster provisions and to provide high quality habitats for waterfowl. Under the swampbuster provisions, the wetlands are protected, but the adjacent land may be cropped. Under the WBP, acreage adjacent to the wetland must be a part of the agreement. The adjacent land must also be established to permanent cover which is adequate to protect the wetland and provide wildlife habitat.

WBP requests for agreements are evaluated by the county ASC committee, and the wetlands' vulnerability to destruction is considered. Wetlands that are likely to be protected by Swampbuster because of participation in commodity programs will be given a lower priority for approval by the county ASC committee.

Mr. DURBIN. The Explanatory Notes state that funds will be directed to the States considered to have the most valuable wetlands and adjacent lands as identified by Department of Interior studies. Describe these studies and tell us which States are identified.

Mr. BUNTROCK. Each fiscal year, ASCS, SCS, and FWS review each State request for participation in the Water Bank Program. We take into consideration when selecting the States and counties the North American Waterfowl Management Plan, which is developed by the U.S. Department of the Interior, Fish and Wildlife Service. This plan is a partnership among the U.S., Canada, and Mexico to save wetland habitats for waterfowl and other wildlife and outlines the waterfowl habitat areas of major concern in the U.S. and Canada. The most critical areas from the standpoint of national importance are the Prairie Pothole Region, the Lower Mississippi Flyway, California Flyway, and the Great Lakes-St. Lawrence Basin. These areas include all our current WBP States and counties.

Mr. DURBIN. For each of the States that are using Water Bank Program funds; what is the total number of agreements entered into; what is the average cost per agreement per year; what is the average cost per acre per year; and what is the average acres per agreement for fiscal year 1993 contracts?

Mr. BUNTROCK. I will provide that information for the record.  
[The information follows:]

#### FISCAL YEAR 1993 WATER BANK PROGRAM

State	Number of agreements	Average cost per agreement per year	Average cost per acre per year	Average acres per agreement
Arkansas .....	161	\$1,215	\$6.39	190
California .....	11	2,493	11.88	210
Louisiana .....	133	772	6.58	117
Minnesota .....	181	1,517	28.58	53
Mississippi .....	90	1,884	8.42	224
Montana .....	24	2,064	16.78	123
Nebraska .....	29	1,211	23.80	51
North Dakota .....	176	1,628	14.73	111
Ohio .....	40	783	19.70	40
South Dakota .....	123	1,902	17.11	111
Wisconsin .....	58	1,153	26.37	44



Mr. DURBIN. How many agreements expired on December 31, 1993? How many were extended or renewed?

Mr. BUNTROCK. All 569 agreements that were entered into in 1984 expired on December 31, 1993. However, we do not know how many of the 1984 agreements were renewed or extended for an additional 10 years. A participant may submit a Request for Agreement for acreage currently covered by a WBP agreement during the last year of the agreement. However, these requests are considered in priority order along with all new requests.

Mr. DURBIN. How many new agreements have been entered into so far this fiscal year?

Mr. BUNTROCK. As of January 31, 1994, 109 agreements have been entered into under the 1994 WBP. However, many States do not conduct signup until spring and the weather often does not permit an on-site evaluation of offered WBP acreage until after the snow melts, so it is too early for most agreements to be finalized for FY 1994.

Mr. DURBIN. You show an unobligated carryover balance in fiscal year 1994 of \$2.5 million. Why is there a carryover of funds?

Mr. BUNTROCK. The obligation of funds involves the joint efforts of both ASCS and SCS. Before WBP funds can be obligated, ownership of the land must be verified as part of the approval process. Requests are taken in the county office, where the applicant is assisted with identifying on an aerial photocopy the boundaries of each area offered for agreement. Requests are then referred to SCS for wetland and adjacent land determinations, and a "WBP Worksheet for Rating Agreement Offers" is completed and returned to ASCS. ASCS then uses this information to accept or disapprove requests. If the request is accepted by the county committee, it is referred to SCS for preparation of the Water Bank Plan of Operation. A completed WBPO is then sent to ASCS where the WBP agreement is prepared, signed, and funds obligated. This approval process may carry over from one fiscal year into the next and depends on the timing of events in the process. However, applications for WBP accepted in fiscal year 1993 and approved in fiscal year 1994 are considered 1993 agreements and funded with the unobligated carryover balance.

Mr. DURBIN. Provide a table showing the unobligated carryover funds for fiscal years 1985 through 1994.

Mr. BUNTROCK. I will be glad to provide that information for the record.

[The information follows:]

*Water Bank Program Unobligated Carryover Balances, Fiscal Years 1985-94*

Fiscal year:	Carryover Balance
1985 .....	\$958,315
1986 .....	4,679,858
1987 .....	2,268,338
1988 .....	1,409,078
1989 .....	1,255,378
1990 .....	1,534,627
1991 .....	2,493,713
1992 .....	3,182,030
1993 .....	2,539,730
1994 (estimated) .....	0



## ASCS BUDGET REQUEST

Mr. DURBIN. Provide a detailed breakout of the agency's budget request to the Secretary; the Secretary's request to OMB; and the OMB allowance.

Mr. BUNTROCK. I will provide that for the record.

[The information follows:]

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE FISCAL YEAR 1995 BUDGET

Program	ASCS request	USDA request	OMB allowance
Conservation Reserve Program .....	1,779,179	1,757,943	1,752,216
Wetlands Reserve Program .....	411,493	61,802	240,900
Subtotal, mandatory .....	2,190,672	1,819,745	1,993,116
Agricultural Conservation Program .....	148,538	137,468	100,000
Colorado River Basin Salinity Control Program .....	10,900	8,394	8,394
Water Bank Program .....	16,918	16,918	8,000
Emergency Conservation Program .....	15,000	3,000	3,000
Forestry Incentives Program .....	11,362	12,625	6,625
Salaries and Expenses .....	852,239	824,090	795,098
Subtotal, discretionary .....	1,054,957	1,002,495	921,117
Total .....	3,245,629	2,822,240	2,914,233

## OBJECT CLASS 41

Mr. DURBIN. Object class 41, Grants, Subsidies, and Contributions, includes county office staff year costs and conservation program obligations. Provide a detailed breakout of this object class.

Mr. BUNTROCK. I will provide that for the record.

[The information follows:]

**OBJECT CLASS 41 DETAILED BREAKOUT**  
**Grant, Subsidies, and Contributions**  
(Dollars in Thousands)

<b>PROGRAM</b>	<b>FY 1993 ACTUAL</b>	<b>FY 1994 ESTIMATE</b>	<b>FY 1995 ESTIMATE</b>
Conservation Reserve Program	\$1,687,514	\$1,818,745	\$1,807,747
Wetland Reserve Program	4,487	97,109	240,900
Agricultural Conservation Program	180,681	225,873	99,000
Forestry Incentive Program	11,105	13,206	5,962
Colorado River Basin Salinity Control Program	8,901	9,059	7,894
Water Bank Program	18,125	9,900	8,000
Emergency Conservation program	62,163	56,014	3,000
Dairy Indemnity Program	120	100	100
Rural Clean Water Program	395	260	0
Total Conservation Program	1,973,491	2,230,266	2,172,603
ASCS Salaries and Expenses (County Office Direct Obligations)	516,755	536,368	516,219
<b>TOTAL FOR AGENCY Object Class 41</b>	<b>\$2,490,246</b>	<b>\$2,766,634</b>	<b>\$2,688,822</b>

## ETHANOL PROGRAM

Mr. DURBIN. Please describe how the Ethanol Plant Assistance Program operates and tell us what the funding level is for the program.

Mr. BUNTROCK. In order to encourage the use of grain in the production of ethanol fuel, the Food Security Act of 1985 authorized the Commodity Credit Corporation to make commodities available for sale at no cost or reduced cost to qualifying ethanol producers. In 1986, a steep drop in energy prices coupled with relatively stable grain prices squeezed the profitability out of ethanol production. With the Temporary Grain Ethanol Program, the USDA assisted financially distressed fuel ethanol plants that would have otherwise closed and jeopardized the commercial grain market.

Eligible ethanol producers earned CCC payments by furnishing proof to the Corporation that grain was removed from the market and processed into ethanol between May 10 and September 30, 1986. Payments issued under the program were made in the form of generic commodity certificates. Ethanol producers could earn certificates equivalent in value to 1 bushel for every 2.5 bushels of grain removed from the market and subsequently converted into ethanol.

The per unit price used by the Commodity Credit Corporation to establish certificate value was based upon terminal market prices established daily by the ASCS Kansas City Commodity Office. These prices were adjusted by the county average differential in the county in which the ethanol facility was located. The county average differentials used by the CCC were the same as those used in exchanging certificates earned by agricultural producers under commodity price support and production programs.

Initial certificate payments were determined by multiplying 40 percent of the bushels claimed by the eligible producer times the per unit value established by the CCC for the kind of grain acquired and manufactured into ethanol. Subsequent certificate payments were determined in the same manner, except that CCC decreased the bushels claimed by the eligible producer by the bushel equivalent of the producer's certificate earnings in the prior month.

Most of the certificates issued to ethanol producers under the Temporary Grain Ethanol Program were made during fiscal years 1986 and 1987. No assistance was provided to ethanol plants in fiscal years 1988 through 1993. There were small amounts shown in CCC annual reports for fiscal years 1988 through 1991, which represent accounting adjustments for prior year payments. Payments made over fiscal years 1986 through 1991 totaled \$53,651,238.

## 1993 DISASTER PROGRAM SIGNUP

Mr. DURBIN. The signup period to submit requests for assistance for the Midwest floods ended last Friday, March 4, 1994. What were the total number of requests received? Can you give us an estimate as to the total cost of these requests?

Mr. BUNTROCK. States were allowed to extend the final date to March 11. As of March 9, 383,571 producers on 366,445 farms in the nine flood affected Midwestern States have submitted requests for assistance. They have been paid a total of \$1,270,302,310.



## COMMODITY CREDIT CORPORATION GUARANTEES

Mr. DURBIN. The Commodity Credit Corporation guarantees loans made by U.S. banks to finance the sale of agricultural products to foreign governments. Would you please provide for the record the amount of loan guarantees currently outstanding, by country, and indicate the current status of each of these loans.

Mr. BUNTROCK. Yes, I will provide a table of the current status of guarantees outstanding for the record.

[The information follows:]

## ESTIMATED CCC EXPORT CREDIT GUARANTEES OUTSTANDING

As of December 31, 1993

(dollars in millions)

Country	Estimated Contingent Liability	Rescheduled Outstanding	Claims Outstanding	Estimated Total Outstanding	Status
Algeria	1,154.9			1,154.9	C
Argentina	0.1		0.1	0.2	C,D
Bangladesh	2.6			2.6	C
Brazil		91.3		91.3	C
Chile		8.7		8.7	C
Colombia	15.6			15.6	C
Czechoslovakia	0.9			0.9	C
Czechoslovakia Republic	5.7			5.7	C
Dominican Republic		249.8	13.4	263.2	A,D
Ecuador	33.7			33.7	C
Egypt	35.4	236.1		271.5	C
El Salvador	4.0	20.2		24.2	C
Estonia	5.0			5.0	C
Former U.S.S.R.	1,654.3	1,029.9		2,684.2	C
Guatemala	28.5			28.5	C
Honduras		29.1		29.1	A
Hungary	1.8			1.8	C
Indonesia	51.1			51.1	C
Iraq	11.7		1,646.8	1,658.5	D
Ivory Coast	6.1			6.1	C
Jamaica		54.7		54.7	C
Jordan	102.5	16.0		118.5	A
Kenya	7.0			7.0	C
Korea, Republic of (Seoul)	280.4			280.4	C
Mexico	2,304.6	235.9		2,540.5	C
Morocco	300.4	145.0		445.4	A
Nigeria			0.1	0.1	D
Pakistan	322.4			322.4	C
Panama	7.9	1.6		9.5	C
Peru		546.7		546.7	A
Philippines		35.5		35.5	C
Poland		1,735.7		1,735.7	C
Romania	74.4			74.4	C
Russia	796.1			796.1	C
Senegal	19.5			19.5	C
Slovenia	9.7			9.7	C
Sri Lanka	92.3			92.3	C
Sudan		61.2		61.2	A
Suriname	0.5		13.9	14.4	D
Tanzania, United Republic of			4.0	4.0	D
Trinidad and Tobago	85.6			85.6	C
Tunisia	106.4			106.4	C
Turkey	54.6			54.6	C
Ukraine	143.4			143.4	C
Uzbekistan	15.1			15.1	C
Venezuela	205.5			205.5	C
Yemen	52.3			52.3	C
Yugoslavia			3.7	3.7	D
Zaire		12.4		12.4	A
Zimbabwe	29.5			29.5	C
Total	8,021.5	4,509.8	1,682.0	14,213.3	

## LEGEND:

A - Rescheduled payments in arrears.

C - Current

D - Defaulted claims paid, no rescheduling requested.

## STATUS OF OUTSTANDING CREDIT GUARANTEE PAYMENTS

Mr. DURBIN. According to last year's list, seven countries, Argentina, Honduras, Iraq, Nigeria, Suriname, Tanzania, and Yugoslavia, had defaulted. In addition, six countries, Jamaica, Jordan, Morocco, Philippines, Poland, and Sudan were behind in their payments. What is the current status of each of these?

Mr. BUNTROCK. I will provide a status report on these countries for the record.

[The information follows:]

## STATUS OF OUTSTANDING CREDIT GUARANTEE PAYMENTS

Argentina: Claims totalling \$117,937.70 have been paid by CCC, of which \$651.63 has been recovered. No rescheduling is anticipated in the near future and CCC continues to bill for the amounts outstanding.

Honduras: Claims totaling \$25,722,572.46 have been paid by CCC, of which \$25,381,308.65 has been rescheduled and \$342,263.81 has been recovered. CCC has just finished a long reconciliation with Honduras, and is preparing revised repayment schedules. Under the 1991 rescheduling, \$5,107,072.00 in payments have been missed along with amounts (not yet determined) under the 1993 rescheduling. CCC is working with the Honduran Ministry of Finance to clear up these arrears.

Iraq: Claims totaling \$1,657,672,078.07 have been paid by CCC. CCC has repeatedly sent bills to Rafidain Bank (London), Rafidain Bank (Baghdad), the Iraqi Ambassador to the United Nations and the Iraqi Interests Section in Washington, D.C.

Nigeria: Claims totaling \$1,495,540.00 have been paid by CCC, of which \$1,367,017.00 has been recovered.

Suriname: Claims totaling \$14,495,022.93 have been paid by CCC, of which \$39,573.77 has been recovered. No rescheduling is anticipated in the near future and CCC continues to bill for the amounts outstanding.

Tanzania: CCC paid \$4,021,509.09 to U.S. banks in reference to claims submitted on Tanzanian shipments. No rescheduling is anticipated in the near future, and CCC continues to bill for the amounts outstanding.

Yugoslavia: Claims totaling \$5,213,245.59 have been paid by CCC, of which \$1,522,934.02 has been recovered. No rescheduling is anticipated in the near future, and CCC continues to bill for the amounts outstanding. The claims outstanding are owed by the Serbian part of the former Yugoslavia. Slovenia has satisfied its share of all obligations outstanding with CCC.

Jamaica: As of December 31, 1993, Jamaica is current on all loans.

Jordan: As of December 31, 1993, Jordan had arrears of less than \$100,000.

Morocco: As of December 31, 1993, Morocco had arrears of approximately \$845,000.

Philippines: As of December 31, 1993, the Philippines is current on all loans.

Poland: As of December 31, 1993, Poland is current on all loans.

Sudan: As of December 31, 1993, arrears had increased to \$78 million.

Mr. DURBIN. What is being done to collect on these loans?

Mr. BUNTROCK. We employ a number of collection techniques to collect on defaulted payments. Billing notices are sent to obligors, and meetings are occasionally conducted between the staff or the agricultural attaches and the defaulting institutions. We coordinate with other U.S. government creditors such as the Export-Import Bank, and private sector creditors such as U.S. commercial banks. In the case of Iraq, we are monitoring the activities of the United Nations Compensation Commission for Iraq, related to the liquidation of frozen Iraqi assets in the U.S. CCC is on the creditors' committee related to the liquidation of Rafidain Bank of Iraq's subsidiary in London. In addition, CCC frequently participates in official reschedulings sponsored by the Paris Club. Such reschedulings are often our best recourse to collect the hundreds of millions of dollars in previously defaulted payments.



Mr. DURBIN. Are we still selling agricultural products to these countries under guarantee loans?

Mr. BUNTROCK. As of March 4, 1994, no export guarantee credit programs have been announced for Argentina, Honduras, Iraq, Nigeria, Suriname, Yugoslavia, or Tanzania for fiscal year 1994. We have extended export credit guarantees to Jamaica, Jordan, Morocco, and the Philippines to finance the sale of agricultural products.

#### ANALYSIS OF CCC BORROWING AUTHORITY

Mr. DURBIN. For the record, please provide a table showing an analysis of CCC's borrowing authority in use at the end of fiscal year 1993 and on February 28, 1994.

Mr. BUNTROCK. For the record, I will furnish that analysis as requested. The table will provide a detailed description of CCC investments and the borrowing authority available for use. Although selected components of borrowing authority in use may exceed \$30 billion at a point in time, other financing items which are shown on the table are sufficient to keep CCC within the total ceiling of \$30 billion.

[The information follows:]

## COMMODITY CREDIT CORPORATION

Analysis of Borrowing Authority in Use as of September 30, 1993 (Actual)  
vs. February 28, 1994 (Estimate)  
(millions of dollars)

ITEM	September 30, 1993 (Actual)	February 28, 1994 (Estimate)
<b>INVESTMENT IN:</b>		
Commodity loans outstanding .....	2,674.4	4,674.8
(regular).....	(2,516.8)	(4,244.2)
(reserve).....	(157.6)	(430.6)
Commodity inventories .....	1,375.5	1,504.4
Export credit sales loans outstanding.....	52.8	52.8
Consolidated rescheduled export credit outstanding.....	525.8	525.8
Funds owed CCC for wool act program.....	179.3	1.7
All other (interest due CCC, cash, and other assets and receivables).....	1,052.3	1,058.2
Subtotal.....	5,860.1	7,817.7
<b>UNREIMBURSED REALIZED LOSSES:</b>		
1991 losses.....	3,020.4	0.0
1992 losses.....	11,675.9	0.0
1993 losses.....	12,454.3	8,872.6
1994 losses.....	0.0	989.5
Subtotal.....	27,150.6	9,862.1
TOTAL, ABOVE ITEMS.....	<u>33,010.7</u>	<u>17,679.8</u>
<b>LESS: Financing other than by use of borrowing authority (-):</b>		
Capital stock.....	-100.0	-100.0
Appropriated Capital.....	-344.7	-344.7
Unexpended balance of PL 480 funds.....	-776.1	-1,595.0
Accrued interest on Treasury borrowings.....	-154.0	-5.2
Accrued producer payments.....	-5,288.4	-652.3
Trust and deposit liabilities, and all other liabilities.....	-1,602.3	-2,271.5
TOTAL, ABOVE ITEMS.....	<u>-8,265.5</u>	<u>-4,968.7</u>
Total borrowing authority in use.....	24,745.2	12,711.1
Total borrowing authority available.....	5,254.8	17,288.9

## CCC INTEREST RATE

Mr. DURBIN. What is the current interest rate Treasury charges on CCC borrowings?

Mr. BUNTROCK. The rate varies monthly. The current interest rate Treasury charges on CCC borrowings is 3.75 percent per annum for March 1994.

## CCC INVENTORY

Mr. DURBIN. Would you please provide a list of the availability of commodities held in CCC inventory, give both quantity and dollar values, for fiscal years 1992 and 1993, and the most up-to-date totals for fiscal year 1994.

Mr. BUNTROCK. Yes, I would be happy to provide that for the record.

[The information follows:]



## COMMODITY CREDIT CORPORATION

Status of CCC Inventory  
 FY 1992 - 1993 actuals, and FY 1994 preliminary actuals as of January 31, 1994  
 (in millions)

Item	FY 1992 Actual		FY 1993 Actual		FY 1994 as of Jan. 31, 1994	
	Quantity	Dollars	Quantity	Dollars	Quantity	Dollars
Corn (bushel).....	129.3	\$322.3	56.6	\$144.8	56.0	\$138.3
Grain sorghum (bushel).....	8.3	22.5	3.9	12.1	2.7	8.0
Barley (bushel).....	5.5	10.5	5.4	10.2	5.4	10.1
Oats (bushel).....	0.0	0.0	0.0	0.0	0.0	0.0
Total feed grains.....	143.1	355.3	65.9	167.1	64.1	156.4
Wheat (bushel).....	151.5	582.9	151.0	561.7	153.2	610.6
Rice, rough (hundredweight).....	0.4	2.6	0.3	5.3	0.0	0.2
Soybeans (bushel).....	0.1	0.7	0.2	1.2	0.5	2.8
Honey (pound).....	4.1	2.6	3	1.7	3.5	2.1
Rye (bushel).....	0.0	0.0	0.0	0.0	0.0	0.0
Upland cotton (bales).....	0.0	0.8	0.0	3.3	0.0	4.1
Extra long staple cotton (bales).....	0	0.2	0	24.1	0.1	50.2
Minor oilseeds (hundredweight).....	0.2	1.4	0.0	0.0	0.0	0.0
Dairy products						
Butter (pound).....	662.4	646.1	546.4	499.8	457.3	420.4
Butter oil (pound).....	48.1	72.0	77.7	91.9	101.0	156.6
Cheese (pound).....	6.7	9.0	1.3	1.7	0.1	0.2
Milk, dried (pound).....	65.1	55.8	22.5	17.3	24.2	19.7
Mozzarella (pound).....	0.0	0.0	0.2	0.2	0.1	0.2
Infant Formula (pound).....	1.8	4.3	0.0	0.0	0.0	0.0
Total dairy.....	784.1	787.2	648.1	610.9	582.7	597.1
All other commodities.....	XXX	0.5	XXX	0.2	XXX	0.0
Total inventory.....	XXX	1,734.2	XXX	1,375.5	XXX	1,423.5

Note: Amounts reflect CCC Financial Management System records and include commodities committed to sale or otherwise obligated for specific uses.

## CCC DONATIONS AND SALES

Mr. DURBIN. Also, would you provide a detailed description of commodities provided from CCC inventory to other government programs including the quantity provided and its market value as well as any reimbursement you received for fiscal year 1993.

Mr. BUNTROCK. The entire value of CCC domestic and export donations is charged off as a loss. The value of export sales to the Department of Defense is partially offset by limited recoveries.

The donation of surplus dairy products to the Veterans Administration and the Department of Defense is authorized by section 202 of the Agricultural Act of 1949, as amended. Section 210 of the Agricultural Act of 1956 authorizes the donation of surplus commodities in CCC inventory to Federal penal and correctional institutions. Institutional donations to Research and Other include miscellaneous donations, as authorized in Section 505 of the Agricultural Act of 1958, as amended.

Surplus commodities are also distributed to charitable institutions, nonprofit school lunch programs, food banks, soup kitchens and similar nonprofit agencies. Section 416 of the Agricultural Act of 1949, as amended, is the statutory authority for making donations to State, Federal, or private agencies in the United States, including areas under the jurisdiction or administration of the United States. The Emergency Food Assistance Act—TEFAP—authorizes the release of commodities to relieve situations of emergency and distress to needy persons, including low-income and unemployed persons.

The export donation of surplus commodities is accomplished through foreign governments and public and nonprofit private humanitarian organizations for the assistance of needy persons outside the U.S. These donations are authorized by section 416 of the Agricultural Act of 1949, as amended, and include Public Law 480 Food for Progress donations.

I will provide additional information for the record.

[Additional information follows:]





## CCC TEFAP DONATIONS

Mr. DURBIN. Provide a list of all commodities that have been donated to the Emergency Food Assistance Program since it was established as a temporary program in 1981. Include the quantity and dollar value of each commodity.

Mr. BUNTROCK. Yes, I would be happy to provide a list for the record.

[The information follows:]

## COMMODITY CREDIT CORPORATION

DONATIONS UNDER THE EMERGENCY FOOD ASSISTANCE PROGRAM  
FROM INCEPTION  
FISCAL YEARS 1982 THROUGH 1993 ACTUALS

(In Thousands)

Commodity and Unit of Measure		FY 1982		FY 1983		FY 1984		FY 1985		FY 1986		FY 1987	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Butter	Lb.	0	0	151,665	233,599	84,382	127,525	178,490	266,795	61,644	95,067	61,111	90,974
Cheese	Lb.	86,460	122,186	379,807	563,262	328,270	485,038	579,916	854,646	345,560	462,782	392,830	530,765
Mozz. Cheese	Lb.	0	0	122	174	38	62	0	0	0	0	0	0
Nonfat Dried Milk	Lb.	0	0	27,139	30,335	55,930	58,593	87,064	77,346	79,322	69,105	92,424	77,626
Total Dairy	Lb.	86,460	122,186	558,733	827,370	468,620	671,218	845,470	1,198,787	486,526	626,954	546,365	699,365
Rice	Cwt.	0	0	52	1,113	1	13	627	12,283	1,248	23,176	1,495	16,806
Honey	Lb.	0	0	0	0	71,137	46,594	67,743	42,441	65,330	50,984	89,864	73,811
Corn Products	Lb.	0	0	9,079	1,194	32,529	4,987	29,504	4,044	37,998	4,317	46,579	5,132
Wheat Flour	Lb.	0	0	2,880	458	24,834	3,842	93,078	12,321	126,509	15,517	130,917	13,546
Vegetable Oil	Lb.	0	0	0	0	0	0	0	0	0	0	0	8
Total All Commodities		XXX	122,186	XXX	830,135	XXX	726,654	XXX	1,269,876	XXX	720,948	XXX	808,668

Commodity and Unit of Measure		FY 1988		FY 1989		FY 1990		FY 1991		FY 1992		FY 1993	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Butter	Lb.	81,558	109,352	63,966	88,894	56,320	70,688	57,039	70,960	63,995	75,008	63,936	60,351
Cheese	Lb.	350,069	438,358	2,495	3,351	0	0	446	581	-446	-581	0	0
Mozz. Cheese	Lb.	0	0	0	0	0	0	0	0	0	0	0	0
Nonfat Dried Milk	Lb.	104,538	80,541	7,411	6,794	0	0	53	45	0	0	0	0
Total Dairy	Lb.	536,165	628,251	73,872	99,039	56,320	66,688	57,538	71,586	63,549	74,427	63,936	60,351
Rice	Cwt.	974	17,753	0	0	0	0	0	0	0	0	0	0
Honey	Lb.	59,925	48,337	24,946	18,270	35,625	32,293	5,711	5,055	36	29	0	0
Corn Products	Lb.	48,143	5,162	48,209	5,766	48,141	5,605	46,716	5,435	46,853	5,546	48,490	5,470
Wheat Flour	Lb.	135,052	15,461	134,821	18,569	118,352	16,465	124,035	14,523	122,846	16,618	16,001	2,064
Vegetable Oil	Lb.	0	0	0	0	16	6	0	0	0	0	0	0
Total All Commodities		XXX	714,964	XXX	141,644	XXX	121,057	XXX	96,599	XXX	96,620	XXX	67,885

Source: CCC Report of Financial Condition (Financial Management System).

Note: Value reflects CCC acquisition cost.

# DONATIONS OF CCC COMMODITIES TO FNS FOR CHARITABLE INSTITUTIONS

Mr. DURBIN. Have you implemented a new policy this year for donations made to charitable institutions? If so, would you please describe this new policy and tell us how it is different from the old policy.

Mr. BUNTROCK. The Charitable Institutions Program is not supported by its own appropriation. Therefore, for a number of years, the Commodity Credit Corporation—CCC—has used its Section 416 authority to donate surplus commodities to charitable institutions such as soup kitchens, food banks, State correctional facilities, and orphanages. While this policy has been possible in past years when CCC held substantial inventories of most price-supported commodities, the market-oriented provisions of recent farm legislation have continued to reduce CCC-owned inventories of surplus commodities to significantly low levels. Therefore, beginning in fiscal year 1995, butter will be the only CCC commodity available for charitable institutions. To alleviate this change in the availability of surplus commodities, the Department has sought alternative sources of funding to maintain the flow of commodities to those charitable institutions that would otherwise be most adversely affected by this reduction. The fiscal year 1995 budget includes an increase of \$10 million for the Soup Kitchen/Food Bank Program for which private, nonprofit groups serving the homeless are eligible. However, public institutions such as State prisons and hospitals are not eligible to receive commodities under this program.

## FARMER-OWNED RESERVE PROGRAM

Mr. DURBIN. Describe the Farmer-Owned Reserve Program in further detail for the record.

Mr. BUNTROCK. The Farmer-Owned Reserve Program is basically a 27-month extension of a regular 9-month wheat or feed grain loan and allows eligible producers to store wheat or feed grains under loan and receive annual storage payments. The authority to implement the FOR program is based on market prices and stocks-to-use ratios and is generally made available by the Secretary when the commodities are in abundant supply. The FOR program allows for orderly marketing of commodities and provides for adequate carryover stocks to ensure a reliable supply. The FOR is available for producers only for years when prices are low and stocks are high. A determination as to whether the FOR will be opened for a crop is made for wheat by December 15 of the year in which the crop is harvested, and for corn and other feed grains by March 15 of the year following the year in which the crops are harvested. Grain must have been under 9-month loan until maturity before it is eligible for the FOR. The maximum FOR term is 27 months, but, at the discretion of the Secretary, may be extended for one 6-month period. Producers may redeem their grain at any time without penalty.

The FACT Act of 1990 provides specific triggers which must be met before the FOR is opened. If prices for the 90-day period preceding the FOR announcement date average below 120 percent of the loan rate and the projected ending stocks-to-use ratio for the



marketing year is more than 37.5 percent for wheat or 22.5 percent for corn, the FOR must be opened for the crop. If only one of the triggers is met, the FOR may be opened. If neither trigger is met, the FOR may not be opened.

Mr. DURBIN. What is the status of the program? How many bushels are in the reserve and what are the annual costs to the reserve?

Mr. BUNTROCK. The FOR program was implemented for the 1990 crop of wheat. As of February 28, 1994, approximately 11.5 million bushels of 1990-crop wheat were in the Farmer-Owned Reserve. All outstanding 1990-crop wheat FOR loans mature, including one voluntary 6-month extension, on or before July 31, 1994. The FOR program was also implemented for the 1992 crops of corn, grain sorghum, and barley. For the 1992-crop, 209.4 million bushels of corn, 6.4 million bushels of grain sorghum, and 8.0 million bushels of barley were in the reserve as of February 28, 1994.

Storage payments of \$8,721,000 were made to producers in fiscal year 1993, significantly smaller than anticipated at this time last year due to increased market prices caused by flooding and drought. Payments are estimated at \$34,800,000 in fiscal year 1994 and \$23,100,000 in fiscal year 1995.

Mr. DURBIN. Why do storage payments increase so much in fiscal year 1994?

Mr. BUNTROCK. Storage payments increased in fiscal year 1994 because the majority of 1992-crop corn, grain sorghum, and barley enters the reserve in fiscal year 1994. FOR storage payments are made at the end of each quarter at an annual rate of 26.5 cents per bushel.

#### BUDGET REQUEST FOR THE CREDIT GUARANTEE PROGRAM

Mr. DURBIN. How much did USDA request from the Department of Treasury for the GSM 102 and GSM 103 Export Credit Guarantee programs for fiscal years 1993 and 1994?

Mr. BUNTROCK. Under the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990, a permanent, indefinite appropriation for the CCC Export Credit Guarantee Programs, GSM-102 and GSM-103, is authorized to cover the subsidy costs of these programs. The subsidy represents the present value of the estimated net cashflows over the lifetime of the credit guarantees made each fiscal year. If the cost of these programs increases in subsequent years, additional funds may be provided through use of the indefinite authority to cover any additional costs.

For fiscal year 1993, CCC requested \$388,170,000 of subsidy to cover the estimated cost of the GSM-102 and GSM-103 programs. An additional \$363,894,000 of subsidy was received in fiscal year 1993 to cover the costs associated with claims paid by the CCC on loans guaranteed to the former Soviet Union in fiscal year 1992. CCC has requested subsidy in the amount of \$403,238,000 to cover the cost of the GSM-102 and GSM-103 programs in fiscal year 1994.

## OPTIONS PILOT PROGRAM

Mr. DURBIN. What is the status of the Options Pilot Program? What is the cost of the program?

Mr. BUNTROCK. The Options Pilot Program has been continued for the 1994 crops. The legislation implementing this program does not permit expansion of the program to crops other than corn, soybeans, and wheat. This program is being continued to encourage producers to use options contracts for income and price support. In 1993, the program was offered in three counties each in Illinois, Indiana, and Iowa. Participating commodities were corn, wheat, and soybeans in Illinois, and corn in Indiana and Iowa. In 1994, the program will be offered to corn producers in three counties each in Illinois, Indiana, and Iowa, and soybean producers in the same three Illinois counties. Two counties in North Dakota have been included for 1994 for hard red spring wheat, and two counties in Kansas have been added for participation in hard red winter wheat.

In the 1994 program, participants may enroll up to 50,000 bushels of corn and up to 15,000 bushels each of wheat and soybeans in the pilot program. Although the program has been expanded in 1994 and the incentive payments have been reduced, the target rate strike prices for wheat and corn have not changed. Enrollment will be at ASCS county offices at the same time as signup for the 1994 Acreage Reduction Program, from March 1 through April 29.

The average purchase premium for target price put options for corn in the nine counties that participated in 1993 was 59.184 cents per bushel. Payments to producers to cover premium payments in lieu of deficiency payments were \$10,122,915. In addition, \$2,562,750 in incentive payments were issued. Using the final deficiency payment rate of 28 cents per bushel, regular deficiency payments on the enrolled bushels would have been \$4,783,800. Hence, the additional CCC outlays to participants for corn target price put options were \$7,901,865, or an average of 46 cents per bushel more than the deficiency payment rate. Assuming the deficiency payment rate for corn had remained at the originally projected level of 72 cents per bushel, additional CCC outlays would have been \$384,463, or an average of 2 cents per bushel more. The total cost of the 1994 crop program should be at roughly the same level of outlays as the 1993 crop program.

## COUNTY OFFICE EMPLOYMENT

Mr. DURBIN. Please update the table that appears on page 668 of last year's hearing record showing the number of ASCS county employees, by State, to include fiscal years 1993 and 1994 and estimates for fiscal year 1995.

Mr. BUNTROCK. I will provide a table showing actual data through 1993 and employment levels as of March 2, 1994 for fiscal year 1994. Fiscal year 1995 estimated employment levels are not available by State, however, the national level is estimated to be 11,920.

[The information follows:]

**NUMBER OF PERMANENT FULL-TIME COUNTY OFFICE EMPLOYEES  
FISCAL YEARS 1988-1994  
(INCLUDING COT'S)**

STATE	1988 as of 9/30	1989 as of 9/30	1990 as of 9/30	1991 as of 9/30	1992 as of 9/30	1993 as of 9/30	1994 as of 3/2
Illinois	743	733	731	707	699	684	673
Indiana	490	494	485	477	476	456	451
Iowa	872	873	858	843	833	814	795
Michigan	278	273	297	310	311	306	300
Minnesota	596	592	521	501	484	473	463
Missouri	482	481	502	515	514	496	490
Ohio	403	414	415	419	421	409	405
Wisconsin	363	366	400	394	391	383	378
<b>Midwest Area</b>	<b>4,227</b>	<b>4,226</b>	<b>4,209</b>	<b>4,166</b>	<b>4,129</b>	<b>4,021</b>	<b>3,955</b>
Connecticut	22	21	19	20	21	21	21
Delaware	15	15	15	15	15	14	14
Maine	38	40	40	37	40	37	36
Maryland	65	64	63	62	64	63	63
Massachusetts	19	19	20	23	23	21	20
New Hampshire	18	18	18	16	16	16	16
New Jersey	23	25	27	26	25	24	23
New York	156	161	155	159	163	159	157
Pennsylvania	205	208	209	217	217	209	209
Rhode Island	4	3	4	4	4	4	2
Vermont	27	27	26	27	25	27	26
West Virginia	109	111	110	108	108	106	104
<b>Northeast Area</b>	<b>701</b>	<b>712</b>	<b>706</b>	<b>714</b>	<b>721</b>	<b>701</b>	<b>691</b>
Alaska	4	4	4	7	8	7	6
Idaho	154	154	152	143	144	144	143
Montana	206	201	198	208	211	207	202
Nebraska	645	648	646	651	648	629	612
North Dakota	451	460	446	451	446	434	424
Oregon	98	96	97	98	98	94	90
South Dakota	405	408	414	405	404	393	387
Washington	118	122	123	118	117	117	110
Wyoming	55	55	53	52	54	51	51
<b>Northwest Area</b>	<b>2,136</b>	<b>2,148</b>	<b>2,133</b>	<b>2,133</b>	<b>2,130</b>	<b>2,076</b>	<b>2,025</b>
Alabama	305	309	311	299	297	294	289
Arkansas	289	296	287	291	293	288	287
Florida	142	139	140	140	139	135	131
Georgia	492	502	504	486	491	477	476
Kentucky	371	368	395	423	423	423	420
Louisiana	185	188	190	208	206	200	195
Mississippi	304	313	313	313	316	317	312
North Carolina	498	494	494	504	505	483	479
South Carolina	211	209	207	199	199	191	190
Tennessee	421	421	426	412	410	404	391
Virginia	292	292	294	286	281	267	265
<b>Southeast Area</b>	<b>3,510</b>	<b>3,531</b>	<b>3,561</b>	<b>3,561</b>	<b>3,560</b>	<b>3,479</b>	<b>3,435</b>
Arizona	37	40	40	40	42	38	42
California	143	142	152	148	150	140	134
Colorado	166	171	171	174	180	174	171
Hawaii	7	7	7	7	8	8	7
Kansas	609	608	641	654	655	636	619
Nevada	17	18	16	16	16	16	16
New Mexico	83	79	78	79	78	76	75
Oklahoma	339	332	330	331	321	313	305
Texas	947	950	967	1003	1003	974	944
Utah	59	55	59	64	64	63	63
<b>Southwest Area</b>	<b>2,407</b>	<b>2,402</b>	<b>2,461</b>	<b>2,516</b>	<b>2,517</b>	<b>2,438</b>	<b>2,376</b>
<b>Total All Areas</b>	<b>12,981</b>	<b>13,019</b>	<b>13,070</b>	<b>13,090</b>	<b>13,057</b>	<b>12,715</b>	<b>12,482</b>



## CCC HAZARDOUS WASTE MANAGEMENT PROGRAM

Mr. DURBIN. The budget request proposes to increase the spending cap for hazardous waste management costs by \$1.0 million, bringing the total amount available to \$5.0 million. This increase is based on a projected change in the operations and maintenance phase of the program. Would you please describe this change in further detail.

Mr. BUNTROCK. The operation and maintenance activities for the CCC hazardous waste program include the operation and maintenance of groundwater remediation facilities such as the one at Waverly, Nebraska, and the supply of interim water supplies, if needed, at the 93 sites identified by EPA and State governments. The Operation and Maintenance budget is rising due to the 18 new sites that have been identified since last year's budget request and the anticipated additional operation and maintenance costs associated with the new groundwater treatment facilities that will come on line during FY 1995. CCC anticipates groundwater remediation facilities coming on line at Hordville, Murdock, and Shelby, Nebraska. Additional costs are also anticipated at Waverly, Nebraska, associated with the recent upgrades to that remediation facility. In addition, there may be additional budget exposure for CCC depending on the remediation option selected for sites at York and Utica, Nebraska, and Navarre, Kansas.

Mr. DURBIN. Mr. Skeen?

Mr. SKEEN. Thank you, Mr. Chairman, and I apologize for having to leave and come back. If I am redundant, just say that you have already covered that topic. We won't track up the snow anymore.

I would like to ask the Chairman, however, are we going to have another session on crop insurance?

Mr. DURBIN. Yes, we are.

## PERSONNEL LEVELS

Mr. SKEEN. Oh, so I won't get into that. Let me talk about personnel resources and I am really concerned. I understand what we're trying to do with reorganization and belt-tightening and so on, but when we start talking about dropping personnel off and restricting the personnel, we usually hit the field forces first, and then the centralized administrative areas last.

Would you give me some kind of historical perspective on how your budget has run and where we are as it relates to the field operation? I know that we're going to combine and do all these marvelous things, and then I want to get into some things on data processing and so forth.

Mr. BUNTROCK. Okay. Mr. Skeen, as you know, in ASCS we have had a significant amount of our workforce involved this past year in the disaster programs, to the tune of over 1,400 FTEs.

Mr. SKEEN. FTEs.

Mr. BUNTROCK. Yes, 1,366 FTEs in 1993 and 1,412 in 1994. Of course, our budget does not propose disaster employees in 1995, and we will get into some of that explanation later.

For the 1995 fiscal year, we have not included these FTEs for the disaster program. Now these FTEs that make up these 1,400-some

jobs include primarily temporary employees that we've hired in ASCS.

Of course, in addition to that, we have had some reduction in personnel as a result of the freeze that we have had in place throughout this entire disaster year.

Mr. SKEEN. Was that through a reduction-in-force?

Mr. BUNTROCK. No.

Mr. SKEEN. Or was it their choosing?

Mr. BUNTROCK. That's through attrition, by their choosing. In other words, they retired or moved or whatever, and we have achieved a reduction of approximately 250 through that attrition.

Mr. SKEEN. Of your 1,400.

Mr. BUNTROCK. Excuse me, no, the 1,400 is the folks that worked on the disaster program this year.

Mr. SKEEN. On the disaster program.

Mr. BUNTROCK. We have permanent employment in our county offices of something in excess of 13,000, and the 250 came off of that total number for the nation.

In addition to that, of course, as you know, the Secretary of Agriculture has requested the Congress to authorize the buyout for employees, which we would need to achieve the reduction numbers that we're talking about. We are talking in total of 2,290 staff years including the disaster-related staff years as well as over 800 full-time employees in 1995.

Mr. SKEEN. That program is the \$25,000 offer.

Mr. BUNTROCK. Yes, sir.

Mr. SKEEN. Or does that vary depending on the time?

Mr. BUNTROCK. Well, actually I think it varies based on the length of service and salary up to a maximum of \$25,000.

Mr. SKEEN. That's the maximum.

Mr. BUNTROCK. Yes.

Mr. SKEEN. Give me some idea for the record, and not now but in the record, what you're talking about in total cost on the buyout.

Mr. BUNTROCK. Okay, sure.

Mr. SKEEN. Depending on what recent information you may have.

Mr. BUNTROCK. We will furnish that for the record for you. We have some very basic information.

[The information follows:]

#### COST OF BUYOUTS

Since the House and the Senate have not yet passed a compromise buyout bill, the Agency can only provide scenarios reflecting the House and Senate versions of the buyout program. In developing the estimated costs, Department of Defense participation statistics were used to estimate that 845 employees would probably take advantage of the program. If the program were offered at the beginning of fiscal year 1995, the agency could take advantage of the salary savings. Under the House version, the cost to the agency would be \$25.1 million, offset by salary savings estimates of \$36.1 million. Under the Senate version, the cost to the agency would be \$30.1 million, offset by salary savings estimates of \$36.1 million.

#### DATA PROCESSING

Mr. SKEEN. Thanks. Let me ask you about your data processing improvements and the other parts of your infrastructure.



We have been a long time coming around to this system of processing that you have a network for your entire system. Where are we with that?

Mr. BUNTROCK. Well, sir, as you know, or perhaps you don't know, in ASCS, the System 36——

Mr. SKEEN. Assume I don't know.

Mr. BUNTROCK. Okay.

Mr. SKEEN. It's the safest thing to do.

Mr. BUNTROCK. The System 36 in ASCS has basically reached its capacity. This is the automated system and the hardware that we have throughout our entire county system. It is expected to reach maximum capacity beginning in 1995. As a matter of fact, we have already had some system failure as a result of it reaching its capacity.

Now, the Department's InfoShare project which we and many of the other agencies in the Department participate in, is the system that will be put in place to convert us from where we are to where we are going in the future.

In the interim period, of course, we've got to continue to deliver our services at the county office, recognizing that the interagency system is not going to be put in overnight, and this is why we have significant maintenance costs in ASCS to keep existing equipment going.

We would ask, as you have learned in the budget, for \$75.9 million for ADP-related costs. That is not all just to maintain this county office equipment. That includes a lot of contracts that we've got for systems like the Processed Commodities Inventory Management System in our Kansas City Commodity Office, as well as others. But, we are still running somewhere in the neighborhood of \$30 million a year for the maintenance of the county system to keep it up and going.

Mr. SKEEN. So you've got about \$45 million that you can put into improvement, am I correct?

Mr. BUNTROCK. No, sir. What I was suggesting was that of the \$75.9 million that we proposed in 1995, a good portion of that will be going to these contractors for maintenance, software, etc., for these systems that we have in place, to do other work outside the county offices.

Mr. SKEEN. All right.

Mr. BUNTROCK. And that leaves us somewhere in the neighborhood of \$30 million to maintain the county system in place, to keep it up and running and replace equipment as it breaks down or goes out of condition.

Mr. SKEEN. Do you still——

Mr. MOOS. Mr. Chairman, could I ask——

Mr. SKEEN. Certainly.

Mr. MOOS. Dallas to comment on that as well?

Mr. SKEEN. I would like very much to have him comment on it. He looks like he's ready.

Mr. SMITH. Thank you, Mr. Skeen. One of the things that we're looking at in the reorganization, of course, is having a single computer system in the USDA service centers that will service all of the agencies, and the needs of our clientele across the board in farm service agencies.



As we move from the current systems like the one we have in ASCS which uses a System 36 that Mr. Buntrock mentioned, it is our intent to focus that project in such a way that we will have a single software and hardware type of system supporting all of the agencies, rather than different systems as we currently have.

The ASCS system is also reaching its maximum in age, and requires quite a bit of maintenance in the interim, so there are two approaches. One is the short-term approach which is to keep the systems operating until we can get the InfoShare designed and implemented, but that design and implementation is also tied to our reorganization because at the same time that we're planning the reorganization, we are also planning to revamp the automation system to support the reorganization. So there is a time line associated with both of those in terms of our implementation.

Mr. SKEEN. One of the difficulties I see, and that's what I was groping for in the budget question, is the fact that you've got a system which needs improving, but at the same time you are trying to get it to where it is operational on a networking basis, but we are coming up short. Do you have an increase in the budget for further improvements because of technology changes so rapidly?

Mr. SMITH. We see that in the transition between the current system and the new system, there will be some overlapping. You are correct, the technology is changing quite rapidly; however, we would hope that in the InfoShare environment, we will have an architectural platform, if you will, that will allow us to adapt to the changes in technology as we move to the new system.

However, we can't over-emphasize the importance of continuing to provide service to our clients as we make this transition.

Mr. SKEEN. There is no question about it. I just want to be sure that you are also allowing enough budgetary room to keep improving it.

Mr. BUNTROCK. If I might add to what Dallas is saying on the new technology and so on, of course, that is all being done in the context of the InfoShare project, which is Department-wide. As an agency, we have provided \$9 million in FY 1994 for InfoShare activities that will assist the agency with necessary testing and evaluation of new systems.

Mr. SKEEN. That's what I'm getting at.

Mr. BUNTROCK. For FY 1995, under the InfoShare funding request, we would receive about \$13.2 million to begin procurement of new computers supporting a new system. That's in addition to the \$75.9 million that we talked about.

Mr. SKEEN. Well, I appreciate that. It is just unfathomable to me how an organization that does as much work as you folks do, and you had no way to talk to each other for some time. I think we're getting back to the planning stage, and also I wanted to know if the budget indicated that we were prepared to help you take care of it.

Mr. BUNTROCK. Yes, sir.

Mr. MOOS. Mr. Skeen, if I may intervene at that point.

Mr. SKEEN. Sure.

Mr. MOOS. We know that there is going to have to be some overlapping as we go from the system in place today, even if it's improved, to the new InfoShare system. So it is a kind of bridging

process, and you know, we are probably going to spend a little bit more money than we need to here, but we want to ensure that we can provide a continuation of the same services out there at the county level that are in existence today.

Mr. SKEEN. I understand the dilemma. You've got to provide the service on a today basis.

Mr. MOOS. Exactly.

Mr. SKEEN. But you've also got to get ready for what's going on tomorrow and the next day, and that is an awful lot.

Mr. MOOS. Yes. In that regard, we're talking generally about an InfoShare system which will be up and running in about three or four years, and will cost somewhere in the neighborhood of a billion and a half dollars.

Mr. SKEEN. I understand that you are using some software updates now to administer the disaster assistance program. Is that with your InfoShare Program, or in addition to?

Mr. BUNTROCK. No, that is basically an ASCS software program that we have got in place for administering the disaster program.

Mr. SKEEN. So it is a sideline.

Mr. BUNTROCK. Yes, yes, sir.

Mr. SKEEN. But you do have something specifically designed to handle that.

Mr. BUNTROCK. Yes, sir, we do.

#### DISASTER PROGRAM OVERPAYMENTS

Mr. SKEEN. Let me ask you about disaster program overpayments. We have had a real problem with this in the past, and you may have answered some of those questions already during this session.

Mr. BUNTROCK. No, I haven't.

Mr. SKEEN. The Inspector General has done considerable work in identifying and pursuing fraudulent claims and overpayments, and what are you folks doing about it? What part do you play?

Mr. BUNTROCK. Sir, we have been working in concert with the Federal Crop Insurance Corporation and have approached this from a very comprehensive basis, by putting together a team consisting of ASCS field people who are experienced in the administration of the programs, as well as some Washington people, together with some Federal Crop Insurance people, and we are going out into some of the States in the disaster area to see if we can identify those areas where we feel that we do have a problem in terms of some producers who got some funding that they shouldn't have gotten, and point the OIG in that direction.

Another issue we're looking at is instances where the problem may have been our procedure itself that caused overpayments to be made, and the third area we are taking a hard look at is the legislative requirements that we have.

For example, in some of the specialty crops, currently we cover their losses on the basis of the value of the production. What we do not take into consideration in that is the cost of harvesting, which runs fairly high in a lot of these specialty crops.

That's a factor that we think probably should be looked at from the standpoint of equitability, but it isn't something that we can do



right now. These are the kinds of things that we're identifying so that we can bring them forward and work with you on them.

Mr. SKEEN. Those are areas where you've got a legislative void as far as any language.

Mr. BUNTROCK. Yes, that's part of it, but it's kind of a three-pronged approach. Some of this stuff we can fix, we feel, through our own regulations and procedures, and some of it, of course, is just outright conversion on the part of a producer, and we are looking for those cases too.

Mr. SKEEN. Well, I've been real concerned about this business of setting up dummy corporations and how we register them. We need to get a lock on who these individuals are, at least get them identified by one name or another so that we're not paying them under several different names or several different corporations, and so forth.

I'm sure that's what part of your plan is.

Mr. BUNTROCK. Yes, sir.

Mr. SKEEN. Thank you very much for your responses. Thank you, Mr. Chairman.

Mr. DURBIN. Thanks, Mr. Skeen. Ms. Kaptur.

#### WORLD MARKET SHARE

Ms. KAPTUR. Thank you, Mr. Chairman. Mr. Under Secretary, part of your title reads Under Secretary for International Affairs.

I have been asking several witnesses as they have come before the Committee this year to look at the U.S. position in terms of the world farm economy, and look back at the decade of the 1980's, the decade during which our agricultural exports went from about \$40 billion down to somewhere in the neighborhood of the 30's, and then bobbed up again at the end of the decade.

And then to look at our agricultural imports which rose from a level of about \$12 billion in the early 1980's, to \$23 billion by decade's end, literally half of our exports.

We passed several farm bills during the 1980's with the advice of USDA. You served your whole life in this area. What happened? I can't say that I am overly proud of the experience of the United States during the decade of the 80's in terms of what happened to world market share.

What's going on out there, and what do we do to change the future in order to make sure that exports keep going up, and imports keep going down?

Mr. MOOS. Thank you very much, Congresswoman Kaptur. I look upon the mission of my office as primarily to increase our export volume. I see that as the only real future, the source of economic viability in the future, for American agriculture.

So all of our attention and resources will be devoted towards doing that, to expand our export volume.

Now, as regards the past over the 80's, yes, our exports did go down, but there were a lot of factors that occurred over which we had very little control. Part of that, of course, has to do with currency relationships among the various countries, and the resulting competitiveness. Part of it had to do with the growing competitive war, if you will, in the use of export subsidies, as other countries—



the European Union and other suppliers—engaged in what we felt were unfair trade practices.

And part of it had to do with the fact that the world was in a bit of a recession which reduced the amount of foreign exchange that was available for U.S. agricultural exports, as well as other countries' exports.

Now we're in a better situation. We have completed the Uruguay Round and although the progress is described by some people as being very modest, it still is a very important step forward because for the first time in history now we have some internationally agreed-upon discipline on the use of both internal and external subsidies.

Over the long term, since the United States is the world's largest agricultural exporter, that should be immensely in our favor, and we are going to look forward to using all the tools that the Congress will give us to work to expand our export shares.

Ms. KAPTUR. Mr. Secretary, how many agricultural-producing nations in the world have a relationship such as ours where imports constitute half of exports?

Mr. MOOS. I would have to go back to the records. I can furnish you the exact information on that, but I would assume that—well, first of all, let me say something about the import share.

A lot of our imports are tropical-type products, the kind of products that we don't produce here in the United States. The classic examples are bananas, tea, coffee, and other kinds of commodities of that sort.

As far as our major competition is concerned, I would assume, and I would have to get the figures—maybe Steve can help me out on this—the European Union probably imports much more than it exports, and the European Union has been one of our major export competitors.

As far as countries like Canada, Australia or perhaps Argentina, they probably export more than they import.

Ms. KAPTUR. I'm very interested in those sets of relationships, and the changing nature of our imports and exports. When the Economic Research Service testified before us, what was very apparent in the data presented to us was that we are importing high-value added products, and we are exporting lower value-added products which is no surprise.

I was a little surprised at the high-value added imports. That surprised me a bit, but I am interested in that set of changing relationships, especially with those nations with whom we are facing the most severe competition.

If you could provide some sort of relationship information for the record, I would appreciate it very, very much.

[The information follows:]

## World Agricultural Trade by Country

The United States is the largest agricultural exporter and the largest bulk commodities exporter. We are the second largest intermediate and consumer-oriented agricultural product exporter. Of the top agricultural exporters, the only one showing an agricultural trade deficit is the European Union with a deficit of \$12.5 billion. By contrast, the United States had the largest trade surplus of \$17.3 billion.

The latest data available for international comparison is for 1992. In that year, our imports of consumer-oriented agricultural products exceeded exports by \$1.8 billion. In 1993, based on U.S. official trade data, U.S. exports for the first time surpassed imports of consumer-oriented agricultural products. U.S. consumer exports were the fastest growing among the categories with an annual increase of 7 percent which is significantly higher than the import growth of 3 percent.

The enclosed table presents the level of trade of the United States and our competitors for total agricultural exports and imports and by processing stage. Please note that the table excludes those countries who are large agricultural importers but do not export significantly, e.g., Japan. The total export amounts indicate the ten nations with the largest agricultural exports. The rankings for each of the three processing stages--bulk, intermediate and consumer-oriented show the top five agricultural exporting nations in that category. The agricultural imports of these nations are also shown.

# Competitors' Share of World Agricultural Trade by Processing Stage

	Exports 1/ 1992	Imports 1/ 1992	Trade Balance
	----- \$ million -----		
<b>Total</b>			
United States	43,315	26,050	17,265
European Union 2/	40,890	53,407	(12,517)
Australia	11,025	1,630	9,395
Canada	10,197	7,318	2,879
China	8,828	4,502	4,326
Brazil	8,743	2,552	6,191
Argentina	7,112	926	6,186
Thailand	6,663	1,987	4,676
New Zealand	5,066	617	4,449
Malaysia	4,890	2,452	2,438
<b>Bulk 3/</b>			
United States	20,141	4,727	15,414
Canada	5,265	834	4,431
European Union 2/	4,792	17,191	(12,399)
Australia	3,104	207	2,897
Brazil	3,051	1,556	1,495
<b>Intermediate 4/</b>			
European Union 2/	9,707	13,373	(3,666)
United States	8,690	5,085	3,605
Australia	3,677	383	3,294
Malaysia	3,157	471	2,686
Argentina	2,750	146	2,604
<b>Consumer-oriented 5/</b>			
European Union 2/	26,391	22,843	3,548
United States	14,485	16,238	(1,753)
Australia	4,244	1,041	3,203
Thailand	3,848	496	3,352
New Zealand	3,809	356	3,453

1/ For international comparison, FAO and UN data sources were used.

2/ Data exclude intra-EU trade.

3/ Bulk commodities include wheat, rice, feed grains, soybeans, peanuts, cottonseed, flaxseed, cotton, pulses and raw sugar. Tropical products, such as green coffee, cocoa, and natural rubber, are also included in this category.

4/ Intermediate products are principally semiprocessed products in the intermediate stage of the production chain and include wheat flour, feeds and food oilseed meals, hops, ferments and yeasts, vegetable oils, animal fats, hides and skins, furskins, wool, cattle embryos, bull semen, planting seeds, and refined sugar. Live animals are also included in this category.

5/ Consumer-oriented products are fundamentally end-products in the production chain that require little or no additional processing for consumption and include such items as fresh and processed fruits and vegetables, tree nuts, nursery products, cut flowers, fresh and processed meats, dairy products, eggs, and bakery products, and prepared oilseed products such as oil-based salad dressings and peanut butter.



## DOMESTIC MARKET SHARE

Ms. KAPTUR. This is the area that interests me the most. I would encourage you at the same time as you try to expand our export markets, you give serious thought as to how local farmers can recapture their own local markets.

It seems to me that when we had a mercantilist world economy, everyone thought that the answer to survival was to export goods. But in fact, you also had to do it constructively with your own internal market, and I have found production being displaced in my region, for example, by imports that could be produced in our country.

And I think one of the problems is how to encourage high-value added production, and recapture our local markets at the same time as you are trying to get goods into closed markets of the world, or areas that are perhaps not as receptive to our products.

I am amazed at what I see coming into my area. Even major processing companies are not acquiring product because it's a lot easier for them to import product in some instances than try to figure out ways to work with USDA to produce those products in a given region.

I'm from Ohio, and food processing is our number one industry.

Mr. MOOS. Thank you. The problem that you cite is a major dilemma for us because we do have a comparative advantage here in the United States in terms of at least the production of bulk agricultural commodities, and of course, that was one of the things that we were hoping to support in our GATT negotiations.

You have a balanced Uruguay Round, and of course, we had to provide for some access to the U.S. market as well, taking into consideration the comparative advantage of producers, not only in the United States, but around the world.

But the dilemma that it poses for us comes in specialty products, and one of the concerns I have today is with the flow of garlic into the United States, the flow of mushrooms into the United States, the flow of honey into the United States, which is causing disruption in our local markets for those commodities, and creating serious trade problems for us.

Ms. KAPTUR. Mr. Under Secretary, this set of international trading relationships in agriculture and manufacturing is the reason that I ran for this job. This is very important to our country.

I'm not sure whether the problem is that our exports should be higher, or that we are importing too much, but this set of relationships interests me.

Mr. MOOS. Well, we would be very happy to sit down with you and talk about this in some depth, if you would.

## CCC LOSSES

Ms. KAPTUR. All right, I would greatly appreciate that. My second question has to do with the CCC. You had indicated in your testimony, or Mr. Buntrock indicated in his testimony that you are asking \$15.5 billion this year for reimbursement for losses.

I am curious, one of those losses is Iraq, is it not? Could you tell the panel what constitutes the losses for which you are asking reimbursement in this upcoming appropriation bill?

Mr. BUNTROCK. Congresswoman Kaptur, some of them, for example, represent the payments that we make for deficiency payments under the wheat and feed grain programs, cotton programs and so on. We do include those as losses, for the purpose of reimbursing CCC.

You do have also included in losses, of course, some of the export credit programs.

Ms. KAPTUR. What percent of that \$15.5 billion in this coming year would relate to that, just an estimate?

[Pause.]

Mr. BUNTROCK. Our budget director tells me that none of that actually is included in the \$15.5 billion because that is covered under credit reform, and is therefore not included in the \$15.5 billion in CCC losses.

Ms. KAPTUR. What does that mean?

Mr. BUNTROCK. Why don't I let David comment on this, if you don't mind.

Mr. HALL. With your permission, we've paid under the loan guarantee programs about \$1.6 billion in relation to the claims filed against Iraq. Those CCC payments basically were restored to the corporation under credit reform procedures several years ago.

Those payments were funded out of permanent, indefinite borrowing authority from Treasury under the credit reform legislation that the Congress passed about three years ago.

Ms. KAPTUR. Could you please put that in language that I can explain to the people in my district?

Mr. HALL. The claims that the Corporation paid in relation to Iraq, Congresswoman Kaptur, were in fact not considered as a loss to the Corporation. With the legislation that the Congress passed some years ago, that is now paid out of an account in Treasury. Payment of loan guarantee claims don't go towards the losses that make up our appropriation request in 1995.

Ms. KAPTUR. Was this related to the financing of the war and the war repayment, the manner in which we received repayment for our involvement?

Mr. HALL. It's related to the fact that Iraq stopped paying as a result of the war on the credit that was extended to them, and then the banks came to CCC in order to have their monies restored to them.

Ms. KAPTUR. But essentially somewhere in this government-wide set of transactions, \$1.6 billion of taxpayer dollars helped to pay something that was owed to the United States of America, correct?

Mr. HALL. That's correct. A loan receivable from Iraq still exists, of course, but not to the Corporation.

Ms. KAPTUR. Is that the only case where that is true? How about the former Soviet Union?

Mr. HALL. That is also the case there. That is also the case with all export guarantee loans after 1992. We have been, in effect, restored from a transfer from Treasury two years ago, for all those outstanding guarantees, and Treasury now finances the payment of claims.

The Corporation's export guarantees are part of the CCC budget as it is presented to this Committee, but funding for claims does

not come from the Corporation's borrowing authority. It comes from Treasury.

Ms. KAPTUR. Yes.

Mr. MOOS. And if I may add to that, in the case of the former Soviet Union as well as Poland, these delinquencies have been rescheduled so they are not considered a dead loss as such at this point in time.

Ms. KAPTUR. Rescheduled through the Treasury, Mr. Under Secretary?

Mr. MOOS. Yes.

Iraq would be an exception to that rule.

Ms. KAPTUR. If I wanted to receive the most complete information then on the reschedulings or the taxpayer dollars that had been paid to reimburse some former transaction, the Treasury would have the best information?

Mr. MOOS. I think——

Mr. BUNTROCK. Ms. Kaptur, we have that information. We can supply it for the record in terms of the total amount that was committed under the loan guarantee program, and then the defaults to date on all of that in terms of the loans to the former Soviet Union, and the new Russian satellite countries, as well as Iraq. We do have all of that information.

Ms. KAPTUR. If I were to ask you to provide me data from 1980 to the present, is that easy for you to do?

Mr. BUNTROCK. Yes.

Ms. KAPTUR. All right, I would appreciate that very much for the record.

Mr. BUNTROCK. OK.

[The information follows:]



## CLAIMS PAID UNDER THE EXPORT CREDIT GUARANTEE PROGRAM

The chart displays the total claims paid under the Export Credit Guarantee program (GSM 101/102/103) since its inception in FY 1979. Claims paid are not CCC losses. Claims paid become a loan receivable, but do not encumber CCC borrowing authority under new credit reform procedures. CCC does not have the authority to forgive debt. Only through Congressional action can CCC forgive debt, that is, write the claims paid off as a loss. The only country to receive such debt forgiveness under the GSM program has been Poland, under specific legislative authority.

Section 579 of the Foreign Operations, Export Financing and Related Programs Appropriations Act of 1991, provided the President the authority to forgive Polish debt owed to the U.S. In FY 1991, \$800 million in export credit guarantees were written off. In FY 1994, \$490 million in debt will be written-off if Poland remains current on its rescheduled payments. Total outstanding Polish debt at the end of FY 1994, assuming the additional charge-off, will be \$1.025 billion.

COMMODITY CREDIT CORPORATION  
CLAIMS PAID BY CCC UNDER THE GSM 101/102/103 PROGRAMS, FY 1981 - FY 1993 ACTUAL AND FY 1994 TO DATE  
(DOLLARS IN THOUSANDS)

COUNTRY	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	Oct-Dec FY 1994	TOTAL
ARGENTINA*												104	14		118
BRAZIL				190,886	22,168										219,054
CHILE				7,843	81,550	35,897		1,988							137,078
DOMINICAN REPUBLIC				43,981	59,447	24,382									143,965
EGYPT							35,235	190,607	38	731	17,767				244,378
EL SALVADOR												482			20,154
HONDURAS									2,345	8,474	11,578	2,758	520		25,675
IRAQ*							33,744				725,185	886,529	238,501		1,657,215
JAMAICA				36,374	17,990										88,008
JORDAN										5,192	1,312	1,437	329	6,471	14,742
MEXICO															384,333
MOROCCO				82,438	14,105	76,408		83,416							172,847
NIGERIA		1,498													1,498
PANAMA						2,086	1,134								3,220
PERU				110,160	20,641	99,539	43,117	12,691							280,398
PHILIPPINES					12,850	16,301	12,278								41,429
POLAND	61,211	357,318	355,855	229,092	8,242										1,011,718
ROMANIA		9,199	6,929	16,327											34,455
RUSSIA													23,255	79	23,334
SOVIET UNION													1,084,754	336,258	1,431,012
SUDAN		25,634	6,392	22,177											54,203
SURINAME*													5,316	1,404	13,015
YEMEN*										532					532
YUGOSLAVIA*												3,979	1,234		5,213
ZANZIBAR*	861,211	\$393,647	\$371,176	\$701,059	\$181,470	\$528,254	\$478,107	\$288,692	2,054	1,987	\$19,696	\$779,514	\$704,582	\$344,212	\$6,017,182
TOTAL															

\* Debt not rescheduled as of 2/1/94. All other countries have had their debt rescheduled.

## HAZARDOUS WASTE MANAGEMENT

Ms. KAPTUR. And finally, Mr. Buntrock, I do not know much about this hazardous waste management program that you reference in your testimony on page 14.

Mr. BUNTROCK. Ms. Kaptur, if—

Ms. KAPTUR. Could you explain that to me please?

Mr. BUNTROCK. Yes. This goes back a number of years to the days when the Commodity Credit Corporation or ASCS leased land and built bin sites. In other words, we actually owned bin sites, the Government did, after the Second World War, in the 1950's and into the 1960's and finally these bins were all disposed of.

A lot of these grain bins were located throughout the heavy grain producing Midwestern States. This clean-up project is for ground water contamination resulting from some of the pesticides that were used to treat grain in those areas.

And the Commodity Credit Corporation is obligated, in those cases where it is identified as a problem, to put resources in there to try to clean that ground water up.

So that's what that \$5 million request would include, these bin site clean-ups.

I think there are something in the neighborhood of 36 sites in total, primarily located in Kansas and Nebraska, and some in Iowa.

## BARTER

Ms. KAPTUR. I thank you for that clarification. If I might just go back to that issue of the CCC again. When we were involved in the Persian Gulf conflict, and in dealing with the former Soviet Union, we gave encouraging language to the administration to use barter to the fullest extent possible, to recoup for the American taxpayer, some amount to help cover losses.

To your knowledge, has any President in recent history used that executive authority that exists in law, and I know it, sir, because I wrote it, to try to make more whole the American taxpayer by greater use of the barter mechanism?

Mr. MOOS. Congresswoman, one of Secretary Espy's high priorities was to expand our barter program, particularly with the former Soviet Union or the Newly Independent States.

We have pursued that diligently with them, but we don't find much cooperation on their part. If we can find a barter partner for the Federal Government, we would certainly give it some consideration, but barter gets to be difficult inasmuch as it means that the Government, if it is going to engage directly in barter, has to go out into the private sector and buy the commodity to barter with another country, and whatever it receives then, unless it is uranium or something that the Federal Government can use, it has to sell back into the private sector in competition with all the other private interests.

So it is a difficult kind of concept to deal with, and it was particularly difficult for countries like Russia where the central government organization is not strong enough to stay on top of those kinds of problems.

Ms. KAPTUR. I can appreciate that, and I am glad you know about the potential.



Mr. MOOS. Right.

Ms. KAPTUR. Thank you very much.

Mr. DURBIN. Mr. Pastor.

# REVISIONS TO UPLAND COTTON USER MARKETING CERTIFICATE PROGRAM

Mr. PASTOR. USDA recently requested comments on a proposal to adjust the way the so-called step 2 competitiveness provision of the cotton program operates. I understand the USDA proposal is significantly different than the system recommended by the industry. Please provide a brief explanation of the reason USDA proposes to utilize a significantly different approach than the industry recommended.

Mr. BUNTROCK. First, I should explain that, according to the Food, Agriculture, Conservation and Trade of 1990, after any 4-week period in which the quotations for U.S. cotton delivered in Northern Europe exceed quotations for the five lowest-priced growths of the growths quoted for delivery in Northern Europe by more than 1.25 cents per pound, a certificate payment is to be made available to exporters and domestic mills. Domestic mills are paid in the rate in effect on the date on which they open the bale at the mills and consume the cotton. Thus, they always are paid the so-called "current" rate. Exporters, on the other hand, may be paid the current rate for sales to be delivered before the next September 30, or they may be paid the "forward" rate for shipment to be made after the next September 30.

I believe your question is referring to the various methods that have been suggested to change the way in which we now calculate the step 2 payment rate for exporters who sell for shipment in the next marketing year, or the forward rate. Each April, price quotations for forward sales begin to become available. After the 4-week period in which the forward price quotations have been available and the requirement that U.S. prices exceed the average of the five lowest-priced growths by 1.25 cents, ASCS begins to lock in the step 2 payment rates on forward sales, even though the cotton may not actually be shipped for many months. It can be shipped and still earn the locked-in payment rate at any time up to 13 months after October 1. Exporters merely need to report a contract for a forward sale to ASCS, and the forward rate will be fixed.

Because most exporters have daily access to the forward price quotations, they can accurately predict what the forward rate will be when it is first announced in April after the fourth week in which the conditions of the law have been met. In both April of 1992 and April of 1993, exporters were able to register sales contracts representing very large volumes of cotton and to lock in very high certificate payment rates. In April of 1992, they registered 2.1 million bales of export sales, 43 percent of the year's total, at a payment rate of 5.5 cents per pound. In April of 1993, they registered 5.3 million bales, 86 percent of the year's total, at a rate of 6.63 cents per pound. After this happened in 1993, it was widely advocated in the cotton industry that the method of computing the payment rate be changed so that the forward rate would become less predictable.

A task force organized by the National Cotton Council suggested that, as the price quotations became available in April, the increase in the forward rate each week be limited to 25 percent of the rate computed for that week. In other words, the rate for week 2 could be no more than the rate in week 1 plus 25 percent of the rate computed for week 2, and for week 3, the rate could be no more than the rate for week 2 plus 25 percent of the rate computed for week 3, etc. This cap would operate until the last week of July, when, under current rules, a single current payment rate takes effect, and there is no forward rate until the next April. Forward export sales would only earn this capped rate. Domestic mills and export sales to be shipped prior to September 30 would continue to be paid based on the current rate.

The American Cotton Shippers Association recommended that both current and forward payment rates be made rolling 4-week averages for the entire year.

The Department proposed in a Notice of Proposed Rulemaking published on March 1 that, in April following the 4-week period prescribed by law, the current and forward rates be blended and that there be in effect at any one time only a single rate, not the two rates there sometimes are under the present rules.

All three of these proposals were aimed at reducing the likelihood of a predictable rate spike in April when the first forward sales of the year commence under present rules. USDA has not decided which of the techniques will be written into the Final Rule.

#### EXTRA LONG STAPLE COTTON PROGRAM

Mr. PASTOR. The Administration's FY 1995 budget proposal included a reference that the ELS cotton program expires at the end of 1995. Why was the ELS program specifically referenced? What is the practical impact of the reference? Does the reference imply that OMB or USDA opposes continuation of the program? Is USDA experiencing problems in administering the ELS cotton program? If the current program is extended, what is the projected costs for fiscal years 1995 through 1999?

Mr. BUNTROCK. The reference to the expiration of the ELS cotton program at the end of the 1995 crop in the FY 1995 budget proposal is made to acknowledge the fact that the authorizing language for the ELS program explicitly terminates authority for the program effective with the 1996 crop. Consequently, the ELS program is excluded from the budget baseline for FY 1996 and subsequent years. In order to extend the authorization for the program in the 1995 Farm Bill, a budget offset would be needed if the program for the 1996 and subsequent crop years is projected to entail budget costs. Because the language authorizing the ELS program expires after the 1995 ELS cotton crop, the budget assumptions used in the administration's FY 1995 budget reflect the most current legislative directive. As a result, the budget baseline simply reflected that the law does not provide for the ELS cotton program after 1995. No specific position has been developed by USDA yet concerning the ELS program for the 1996 and subsequent crops. Should USDA decide to support the program, there would have to be discussions of the budget implications of such a position in the context of USDA's overall Farm Bill position.

USDA has not experienced any problems in the administration of the ELS cotton program. Beginning with the 1992 ELS cotton crop, increased program participation has resulted in increased county office activity to accommodate those producers who have elected to participate in the ASCS ELS cotton program for the first time. Despite the increased volume in the county offices, there have been no problems in administering the program.

Market prices fell below the loan rate in crop year 1992 because of a combination of increased production and changes in the world market situation. As a result of the low prices, 65 percent of the 1992 crop has been forfeited to CCC and 54 percent of the 1993 crop is expected to be forfeited to CCC.

I will provide a table for the record which compares the projected costs of the ELS cotton program if the current program is extended and the costs as reflected in the FY 1995 budget for fiscal years 1995 through 1999.

[The information follows:]



## ELS Cotton

Comparison of ELS Cotton Program costs If Current Program is Extended Versus Program

Costs as Presented in the FY 1995 President's Budget (Assuming no Extension)

Net (Receipt) or Expenditure  
(In thousands)

**Assumption 1:** ELS Cotton Program Continued beyond 1995 crop

Expenditure:	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Loans made	61,222	37,114	26,294	17,054	8,527
Loan settlements	614	184	31	0	0
Storage & handling	3,874	1,471	859	313	108
Deficiency payments	7,474	581	0	0	0
Total Expenditure	73,184	39,350	27,184	17,367	8,635
Receipt:	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Loans repaid	28,570	34,143	26,807	22,408	8,527
Other sales	30,240	11,508	8,064	7,843	0
Total Receipt	58,810	45,651	34,871	30,251	8,527
Net (Receipt) or Expenditure	14,374	-6,301	-7,687	-12,884	108

**Assumption 2:** ELS Cotton Program is discontinued after 1995 crop

Expenditure:	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Loans made	61,222	37,114	0	0	0
Loan settlements	614	184	31	0	0
Storage & handling	3,874	1,471	859	313	108
Deficiency payments	7,474	581	0	0	0
Total Expenditure	73,184	39,350	890	313	108
Receipt:	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Loans repaid	28,570	34,143	9,278	0	0
Other sales	30,240	11,508	8,064	7,843	0
Total Receipt	58,810	45,651	17,342	7,843	0
Net (Receipt) or Expenditure	14,374	-6,301	-16,452	-7,530	108

Net Change in (Receipt) or  
Expenditure

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	Total
<b>Assumption 1:</b> Program continues beyond 1995 Crop	14,374	-6,301	-7,687	-12,884	108	-12,390
<b>Assumption 2:</b> Program discontinued after 1995 crop	14,374	-6,301	-16,452	-7,530	108	-15,801
Net Change in (Receipt) or Expenditure	0	0	8,765	-5,354	0	3,411

Mr. PASTOR. As you may know, our treaty with Mexico requires us to reduce the salinity of the waters going to the country, especially the Colorado River waters. Erosion problems within the Navajo Nation contribute considerable amounts of salt to the Colorado River, principally through the contribution of salt-laden sediment to the river. What priority might you give to the development of a technical plan to reduce the sedimentation rate within the Navajo Nation and the Little Colorado River, which feeds into the Colorado river?

Mr. BUNTROCK. A priority for preparation of a technical plan for erosion control to reduce salt loading would be contingent upon supporting information from preliminary studies which identify the geographic areas which are the source of salt loading, the amount of salt being contributed to the river, practical methods of treatment to reduce salt loading, the amount of expected salt reduction, the cost per ton of salt reduction for treatment actions, and the degree of local and State support for a project, including funding sources for local cost-share.

In addition, there would have to be documentation that an additional salinity reduction unit is needed to meet the salinity standards and joint agreement by USDA and the Forum to support preparation of the technical plan and provide funding.

The USDA salinity reduction studies have focused almost entirely on the reduction of salt loading from irrigated activities. This is because large contributions of salt from irrigated agriculture have been documented by research and cost effective treatment methods identified. This information has led USDA agencies and the Forum to give a high priority to the irrigated agricultural areas for implementation.

Mr. PASTOR. Thank you, Mr. Chairman.

Mr. DURBIN. Mr. Myers.

#### IRAQI ASSETS IN THE U.S.

Mr. MYERS. Thank you. I apologize for getting here late. Other committees were going on so I was next door. Following up on the Iraq question, in my understanding, Iraq had purchased grain through the years, and some commodities, and then owed for it. Then because of the war, they quit paying.

Now it is also my understanding that Iraq does have considerable assets which were frozen for some time in this country. Has any effort been made to recover by attaching these assets that they presently hold in this country?

Mr. MOOS. I'm—

Mr. MYERS. For the debts that they owe.

Mr. MOOS. Yes. I'm not qualified to answer that question, Mr. Myers. I know that there has been interest in doing that, but I think those assets are still being held in abeyance, and no claims really have been made directly on them yet.

Mr. MYERS. I suppose that State and Justice wouldn't be aware of this debt unless they were told, and has any effort been made to notify them that there is this outstanding debt to Iraq? That's your department.

Mr. MOOS. They are well aware of the problem.

Mr. MYERS. They are.

Ms. KAPTUR. Will the gentleman yield?

Mr. MYERS. Certainly.

Ms. KAPTUR. Does the Foreign Claim Settlement Commission get involved at all? Those are private claims. This is kind of a public claim.

Mr. MYERS. Is it a private claim or does the government of Iraq owe this debt? I thought in those socialist countries that the government owned it.

Mr. MOOS. The government guarantees the debt.

Mr. BUNTROCK. This does not answer your question, Congressman—but to give you a little bit of information that I have, the BNL Bank that made a loan, which we guaranteed through the Commodity Credit Corporation, has not been paid for the failure of Iraq to make good on that debt. We have not paid that up to this point in time, and don't intend to until something is settled on it for the future. That is not part of the \$1.6 billion that was referred to here earlier.

Mr. MYERS. Would you keep us informed if there is some effort to be paid some way or the other, so the Committee is aware of it.

Mr. BUNTROCK. Yes.

Mr. MOOS. Certainly.

Mr. SKEEN. Can I ask a question?

Mr. DURBIN. Sure, go ahead.

Mr. SKEEN. Who are the principals of BNL Bank? I would be interested in knowing that because we've had some little problems some years ago about shipping lamb, wool products and things of that kind of the Middle East countries.

There was a bank that was owned in Atlanta or someplace by Italian interests of some kind, and we had all kinds of problems. What's BNL?

Mr. MOOS. I really don't know the background here well enough to discuss it, but we will be happy to supply as much information as we can.

Mr. SKEEN. I think it was the same bank.

Mr. BUNTROCK. It probably is.

Mr. MOOS. It probably is.

Mr. SKEEN. Thank you very much.

#### FORESTRY INCENTIVES PROGRAM

Mr. MYERS. At least they haven't gotten their money yet, so maybe—you know, I've been on this Committee—you don't know—I have been on this Committee for a good many years, and I have never asked the question or had it explained just what our Forestry Incentives Program is. Could you briefly tell the Committee what that is?

Mr. BUNTROCK. The Forestry Incentives Program—excuse me, if you want to answer this, Gene, go ahead. [Laughter.]

Mr. MOOS. No.

Mr. BUNTROCK. This is a program that is administered by ASCS with technical assistance by the Forest Service. We do the administration of this, and I think the program this year involves \$12.8 million.

Mr. MYERS. It's 6.6 this year, I guess.



Mr. BUNTROCK. It's \$6.6 million we are proposing for 1995. Basically the Forestry Incentives Program is a tree planting program, and under this program, we expect to have planted about 104.4 million trees in FY 1994, in addition to timberstand that is improved. This planting is on privately owned land, through cost-sharing agreements. The trees that are planted are commercial trees. In other words, they are trees for future lumber purposes but not fruit trees and that sort of thing.

Mr. MYERS. We constantly hear about the forests being depleted and not being replanted, but this is contrary to what some of these environmentalists suggest. What incentive is there for a farmer to take land and plant some tree that isn't worth anything to anybody, except to say there's a tree out there?

Mr. BUNTROCK. Well, of course, as you know, that isn't something that is talked about very much; for example, under the Conservation Reserve Program, there are 2.6 million acres of trees out of the 36.4 million acres of conservation reserve land.

And there have been a lot of trees planted under the Agricultural Conservation Program, ACP, over the years. In the country that I come from, which happens to be South Dakota, we use them for windbreaks along farmsteads, and of course, also in strips through the field, to prevent soil erosion.

Mr. MYERS. Are those—

Mr. BUNTROCK. We get snow on the ground and we get more moisture and various other reasons.

Mr. DURBIN. Will the gentleman yield for a moment?

Mr. MYERS. Certainly.

Mr. DURBIN. We had some testimony yesterday from a public witness with one of the forestry groups who said that there were more trees planted under CRP than by the Civilian Conservation Corps under FDR.

Mr. MYERS. I don't know if that comparison means a whole lot, but it does mean something. [Laughter.]

Mr. DURBIN. I'm just glad I put it in the record. [Laughter.]

Mr. MYERS. There are a lot of people that had criticism back then of that program.

But I wonder why, if you are going to plant trees, why don't you plant trees of some value? Why don't we plant trees that our children and grandchildren are going to need in the future to build their homes, their furniture and so forth? Why plant a tree that's no good?

Mr. MOOS. Mr. Myers, under the CRP, landowners do plant trees, hoping to be able to harvest them in the future. The Forestry Incentives Program is designed to provide conservation benefits, whether it be in terms of wind erosion, water erosion, wildlife habitat, or other conservation purposes, but those trees are also ultimately intended for harvest.

Mr. MYERS. But the trees that do have value, who owns the lumber in the future? Do you have some—

Mr. MOOS. I don't—

Mr. BUNTROCK. If I might just follow up on the question, I want to be clear that these trees will have future commercial value for the landowner.

Trees that were planted, as the Under Secretary pointed out, under CRP, also would benefit the farmer ultimately.

Mr. MYERS. Sometime in the future the farmer or his children will have the——

Mr. BUNTROCK. That's correct.

#### TOBACCO PROGRAM

Mr. MYERS. One last question, one I am asked frequently back home, why does the Government subsidize tobacco producers? And of course, I've been saying we don't. This guy over here, he started something and we all have to——

Mr. DURBIN. I didn't start this.

Mr. MYERS. This issue of tobacco, I'm not a smoker. He can do whatever he wants to as far as that's concerned, but it does raise the question as to why are you guys constantly subsidizing?

Now, I don't think we do, except indirectly, maybe. Can you just very briefly tell us about why we get these questions, and how we might answer them?

Mr. SMITH. Yes, sir. Let me go back to 1982, when Congress passed the no-net cost law for tobacco. Basically that law says that we can no longer use public funds to support tobacco production except for certain administrative costs, including our research, our Federal crop insurance, and certain ASCS costs. Where we have a county office that is administering an ASCS program and tobacco happens to be one of the commodities that's produced in that county, then to the extent that an employee is working with tobacco allotments or quotas, that person is administratively involved in the tobacco program.

Now, let me address the issue of why we are involved in tobacco from a production standpoint. Tobacco is a commodity with the USDA similar to any of the other commodities where Congress has mandated in the 1938 Act and the 1949 Act that there be a price support program in place.

It's been amended several times. It's been changed several times to lessen the Government's involvement in it, but we have in the neighborhood of 180,000 different farmers involved in the production of tobacco, and then there is a larger community that is affiliated with that production of tobacco.

Because of the public policy that's now incorporated in our legislation, USDA has a charge of administering these programs, although the no-net cost program is unique. It's the only program within USDA where we absolutely are mandated by law to not have any costs associated with the program, with the exception of administrative costs.

Mr. MYERS. Are we correct with the answer that there are no direct taxpayers dollars going to subsidize to production of tobacco?

Mr. SMITH. Yes, sir, with the exception of administrative costs in the area of research, and the Federal Government——

Mr. MYERS. But that doesn't go into the producer's pocket.

Mr. SMITH. No, sir, it does not.

Mr. MYERS. On the insurance side of it, you say there are insurance losses. How much longer are we going to be able to insure tobacco? We don't insure all agricultural products now. There are some products that aren't covered by insurance, a few—well, I



shouldn't have brought that up, but I am sure—I have introduced an idea that probably will be around now, and we will not allow that to be insured.

Mr. SMITH. It is insured as a crop, and of course, one of the bases for making determinations as to which crops are insurable and which aren't was whether we have an actuarially sound program. Tobacco is grown over a large area of the U.S.—from Connecticut, Massachusetts, down to Florida and the West, Ohio, Missouri—so it is a pretty widely grown crop. From an actuarial soundness basis, tobacco has been determined to be an insurable crop. So it is administered very much like any of the other agricultural commodities.

Mr. MYERS. Okay. I pretty well understood it, but I just wanted to verify that.

Mr. SMITH. I might make a point that although the cost for the indemnity payment was pretty high in 1993—as I mentioned earlier, it was in the neighborhood of \$17 million—the previous year, it was \$4 million, and the year before that, there was actually no cost on federal crop insurance, so that figure varies considerably from one year to another, depending on the risks that are affiliated with crop insurance.

Mr. MYERS. Okay. Thank you for your testimony.

Mr. DURBIN. Thanks, Mr. Myers. Mrs. Vucanovich.

#### COUNTY OFFICES

Mrs. VUCANOVICH. I appreciate the Secretary's efforts in reorganizing the Department of Agriculture. However, I am concerned that we could lose the local contact which is currently provided to farmers through the ASCS field offices. What is your office doing to ensure that farmers are still consulted and advised under the new reorganization?

Mr. BUNTROCK. We receive feedback regularly from farmers through our current State and county ASC committees, which help carry out the programs administered by ASCS. State and county ASC committees are made up of members who are actively engaged in farming and ranching. State and county committee representatives have been involved in the planning stages of the new Farm Service Agency. In addition, these committees, in their new form under the Secretary's proposal, will continue to play an active role in FSA field operations.

#### COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Mrs. VUCANOVICH. The budget recommends a decrease in the Colorado River Basin Salinity Control Program. How will this decrease affect efforts in Nevada to provide quality water?

Mr. BUNTROCK. The initial work under the Moapa Valley Project Implementation Plan was to provide cost-sharing with the Moapa Valley Irrigation Company on off-farm delivery systems. At the Irrigation Company annual stockholders meeting on February 5, 1994, the salinity control project was voted down. On March 2, 1994, CRSC funds in the amount of \$600,000 issued for the Moapa Valley Project were returned to USDA. Therefore, we do not anticipate providing any FY 1995 funding to the Moapa Valley Unit.



Mr. DURBIN. I want to thank the panel for your testimony today, and your patience, and we will be back in touch with you.

Mr. BUNTROCK. Thank you.

BIOGRAPHY

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**Grant B. Buntrock**

Administrator  
Agricultural Stabilization and  
Conservation Service  
U.S. Department of Agriculture  
Washington, D.C. 20013

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Grant B. Buntrock, a native of Columbia, South Dakota, is the Administrator of USDA's Agricultural Stabilization and Conservation Service (ASCS). He also serves as Executive Vice President and a member of the Board of Directors of the Commodity Credit Corporation (CCC).

ASCS is responsible for the delivery of National Farm Programs through 50 State offices and Puerto Rico. The CCC is a government-owned and operated corporation, with \$30 billion borrowing authority, used to finance ASCS programs and many other USDA operations.

Prior to being named Administrator, Mr. Buntrock was Director of the Washington Office of the National Farmers Organization. From 1977 through 1980 he served as Assistant Deputy Administrator, State and County Operations, (DASCO), ASCS. In 1981 he became Director, Cotton, Grain and Rice Price Support Division, ASCS, where he had administrative responsibility for price support, loans and production adjustment programs for cotton, wheat, feed grains, rice, soybeans, and sugar. His other assignments have included Director, Price Support and Loan Division and DASCO Staff Assistant. He has also held assignments in the Program Operations Division and as a marketing specialist in the Bin Storage Division of ASCS. From 1959 to 1963 Mr. Buntrock was a program assistant in the Brown County, South Dakota ASCS office in Aberdeen, and from 1963 to 1967 he served as county office manager in the Day County ASCS office, Webster, South Dakota.

Mr. Buntrock was born and raised on a wheat and cattle farm in Columbia, South Dakota. He graduated from Columbia High School and attended South Dakota State University in Brookings.

Mr. Buntrock served in the U.S. Navy from 1955 to 1957.

Mr. Buntrock is married to the former Donna Weimer of Oakland, Maryland. They have seven children and live in Fairfax Station, Virginia.



December 1993

**AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE**

Statement of Grant B. Buntrock, Administrator  
Before the House Subcommittee on Agriculture,  
Rural Development, Food and Drug Administration, and Related Agencies

Mr. Chairman and Members of the Subcommittee, I am pleased to be here to present the fiscal year 1995 budget for the Agricultural Stabilization and Conservation Service. This is my first appearance before this Committee and I appreciate the opportunity to work with you.

Today I would like to provide a brief overview of the agency as it is currently structured, and then highlight the budget requests for the agency's conservation programs, the Commodity Credit Corporation, and administrative support. The budget assumes of course the passage of legislation to authorize the Secretary's proposed reorganization of the Department.

**ASCS OVERVIEW**

The Agricultural Stabilization and Conservation Service was established in June 1961 by the Secretary of Agriculture under the authority of the Reorganization Act of 1949, as amended. It is the successor to prior agencies that had administered farm programs since the 1930's.



### Mission

ASCS provides service to American producers and to the American public through the administration of farm commodity, conservation, emergency, and domestic and international food assistance programs.

As the agency name implies, our objectives are twofold: stabilization and conservation. In its stabilization role, ASCS administers Commodity Credit Corporation programs, including production adjustment programs, which provide producers income support and protection against extreme fluctuations in the marketplace. In its conservation role, this agency carries out a variety of programs to assist producers in applying conservation measures needed to preserve the long-range productive capacity of our soil and water resources, and to protect highly erodible land, wetlands, and other environmentally sensitive lands. The stabilization and conservation objectives are united in serving the public interest by helping to protect this Nation's ability to produce food and fiber for current and future generations while protecting the environment. Under the Secretary's reorganization plan, most of the conservation programs of ASCS would be transferred to the Natural Resources Conservation Service while the remaining stabilization functions of the agency would be combined with FCIC and the farm loan programs of FmHA to form the Farm Service Agency.

### Organizational Structure

ASCS delivers its programs nationwide through a system of State and county offices, in addition to a number of field offices and the Washington headquarters.

State and county ASC committees make decisions on the local administration of the various programs entrusted to ASCS that deal directly with the farmer. The county committees, whose members are elected by local farmers, also provide advice and recommendations regarding program plans and policies. There are currently 50 State committees, one Caribbean Area committee, and 3,052 county committees. Day-to-day program operations such as signups are conducted by the employees of the 2,770 ASCS county offices. State offices provide guidance and management oversight of their respective county offices.

Additional ASCS field offices are located in Salt Lake City, Utah, and Kansas City, Missouri. The Aerial Photography Field Office in Salt Lake City provides aerial photography products for ASCS, other agencies within and outside of USDA, and the public. The Kansas City Commodity Office is responsible for the acquisition, handling, storage, processing, and disposal of commodities to fulfill CCC program commitments, and the examination of farm commodity warehouses. The Kansas City Management Office is the focal point for agency computer system applications development and programming, as well as records management and other functions, while the Kansas City Financial Management Office handles centralized ASCS and CCC program accounting, debt management, commodity program claims, and related responsibilities.

ASCS is headed by an Administrator, Associate Administrator, and four Deputy Administrators, who are located in Washington headquarters and are supported by a

number of divisions and staffs that provide overall program administration and oversight as well as personnel, property, financial, and other support services.

### **CONSERVATION**

Turning now to our budget proposals, I would like to call your attention to a change in the way the conservation requests are presented this year. All ASCS conservation programs that are supported by Soil Conservation Service technical assistance have traditionally included funding for that support within each program's budget request. The 1995 Budget, however, excludes such funding from the program accounts and includes it within SCS. This is a first step toward the realignment that is assumed under the Secretary's reorganization proposal, in which most ASCS conservation programs would merge with the SCS into a new Natural Resources Conservation Service.

#### Conservation Reserve Program

The Conservation Reserve Program -- CRP -- was mandated by the Food Security Act of 1985, extended and modified by the Food, Agriculture, Conservation, and Trade Act of 1990 (FACT Act), and further amended by the Omnibus Budget Reconciliation Act of 1993 (OBRA). Its primary objective is to help farmers achieve the environmental benefits of reduced erosion and improved water quality by establishing permanent cover on highly erodible or environmentally sensitive cropland. The program is available in all 50 States, Puerto Rico, and the Virgin Islands on cropland that meets the established criteria.



Participants enter into a contract with ASCS in which they agree to take land out of production for 10 to 15 years and install permanent cover. In return, USDA provides annual rental payments, one-time payments for half the cost of the cover, and technical assistance.

The current CRP enrollment of 36.4 million acres was reached in 1992 during the twelfth signup. In accordance with congressional direction, no signups have been held in 1993 or 1994. While the enrollment requirement of 39 million acres under the FACT Act was reduced to 38 million by the OBRA of 1993, the President's Budget proposes capping enrollment at the current level.

In 1994 we are making payments due on the previously enrolled acres -- \$1.8 billion for rental payments and \$14.5 million for establishing vegetative cover. In fiscal year 1995, funding needs for rental payments will remain constant, while cover costs will decline by \$11 million, to \$3.5 million. The increase of \$8.9 million in the appropriation request for 1995 is needed to offset a lower unobligated balance expected to be brought forward at the beginning of the year.

#### Wetlands Reserve Program

The Wetlands Reserve Program -- WRP -- was authorized by the Food Security Act as amended by the FACT Act, and was extended and modified by the OBRA of 1993. The primary objectives are to preserve and restore wetlands, improve wildlife habitat, and protect migratory waterfowl. Program participants receive payments in exchange

for granting a conservation easement on eligible acres. The WRP also shares with landowners the cost of restoration measures.

In fiscal year 1992, a pilot program in nine States accepted 49,888 acres for enrollment. Congress provided no funding for signup in 1993 but provided for enrollment of 75,000 acres in 1994. Signup is being held in 20 States, including the pilot States, February 28 through March 11.

For 1995, the Budget requests \$240.9 million to expand the program nationwide and sign up an additional 300,000 acres, for an estimated cumulative enrollment of 425,000 acres by the end of 1995. This increase of \$174.2 million over 1994 would make possible an important contribution both to implementing the Administration's comprehensive wetlands policy announced in August 1993 and to reaching the OBRA minimum of 975,000 acres by the end of calendar year 2000. The 1995 Budget requests \$37 million dollars for the Soil Conservation Service for WRP technical assistance.

#### Agricultural Conservation Program

The Agricultural Conservation Program -- ACP -- shares with producers the cost of carrying out soil and water conservation and water quality measures on agricultural land. Nationwide in scope, the program is available to all farmers and ranchers who establish the need for cost-share assistance in solving a resource conservation problem. The program may pay up to 75 percent of the cost of eligible practices.

Technical assistance is provided by the Soil Conservation Service and the Forest Service.

The fiscal year 1994 appropriation of \$194.6 million has provided allocations to States of \$157.7 million for practices under annual agreements, \$20 million for long-term agreements, and \$15 million for Water Quality Incentive Projects of the type authorized under section 1439 of the FACT Act.

The requested level of \$100 million for 1995 would place additional emphasis on the ongoing effort to fund only the highest priority practices. This level would provide \$74 million for annual agreements, \$10 million for long-term agreements, and \$15 million for Water Quality Incentive Projects.

#### Emergency Conservation Program

The Emergency Conservation Program -- ECP -- assists producers in rehabilitating farmland damaged by natural disaster and in carrying out emergency water conservation measures during periods of severe drought. The program shares the cost of practices to restore the land to its productive capacity as it existed prior to the disaster and does not address pre-existing conservation problems.

As might be expected, funding needs for this program vary widely from year to year, depending upon the occurrence of natural disasters. The fiscal year 1994 regular appropriation did not fund the ECP. As you know, however, emergency supplemental funding of \$25 million was appropriated in February to continue helping producers



recover from the devastation caused by the Midwest Floods and other disasters. As of March 3, \$18 million of this funding has been allocated to States to address unmet flood damage needs from fiscal year 1993.

Prior to the exceptionally disaster-filled years of 1990 through 1994, program history showed that \$10 million would cover a "normal" year of disasters. The \$3 million requested for 1995 would cover small-scale disasters and permit the agency to begin a prompt initial response to a more extensive incident.

#### Water Bank Program

The purposes of the Water Bank Program -- WBP -- are to conserve water and preserve and improve habitat for migratory waterfowl and other wildlife through long-term agreements with landowners for the protection of wetlands. The program provides additional environmental benefits such as reducing runoff, contributing to flood control, improving water quality, improving subsurface moisture, and enhancing the natural beauty of the landscape.

Under the program, the Secretary enters into renewable 10-year agreements with owners or operators of eligible wetlands in authorized States. The participants agree not to drain, burn, fill, or otherwise destroy the enrolled wetlands, and in exchange receive annual rental payments.

The 1994 appropriation of \$8 million provides for an estimated 435 agreements on 45,200 acres. The Budget request of \$8 million for fiscal year 1995 reflects an

additional \$640,000 available for 10-year agreements due to the proposed exclusion of SCS technical assistance funding from the account.

#### Colorado River Basin Salinity Control Program

The Colorado River Basin Salinity Control Program is designed to reduce irrigated agriculture's contribution to the salt loading of the upper Colorado River and thus to support the nation's commitment to the 1973 International Boundary and Water Commission Agreement concerning the quality of water delivered downstream to users in the U.S. and Mexico. The program is authorized in the seven Basin States -- Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming.

The program is a coordinated effort among USDA agencies. SCS provides participants with technical assistance to identify salt source areas, develop conservation plans, and monitor and evaluate the results. ASCS provides cost-sharing assistance for installation of conservation practices. The Extension Service collaborates with the Agricultural Research Service and Cooperative State Research Service on research, education, and demonstration activities.

In fiscal year 1994, the appropriation of \$13.8 million is being used to support ongoing projects in Colorado, Nevada, Utah, and Wyoming. For fiscal year 1995, we are requesting \$8.4 million. The reduction of \$5.4 million from 1994 primarily reflects the proposed exclusion of SCS technical assistance from the account, and will enable the program to continue in existing project areas at a slightly reduced level.

### Forestry Incentives Program

The purpose of the Forestry Incentives Program -- FIP -- is to encourage the development, management, and protection of nonindustrial, private forest lands to increase the production of timber and enhance other forest resources. The program provides annual and long-term cost-sharing agreements with landowners in 47 States as well as technical assistance for planting trees on eligible land or improving a stand of trees.

The appropriation of \$12.8 million for 1994 is assisting in planting over 100 million trees on approximately 154,000 acres and improving timberstand on approximately 40,000 acres. Proposed fiscal year 1995 funding of \$6.6 million represents a program level decrease of \$6.2 million since SCS technical assistance is not involved. Program funds will be used to achieve the greatest environmental benefits in water quality improvement, erosion prevention, and other environmental goals.

### Dairy Indemnity Program

Under the Dairy Indemnity Program, ASCS compensates dairy farmers and manufacturers who, through no fault of their own, suffer income losses on milk or milk products removed from commercial markets due to residues of certain chemicals or other toxic substances. Payees are required to reimburse the Government if they recover their losses through other sources such as litigation. As of February 22, claims totaling approximately \$260,000 have been authorized for payment during fiscal



year 1994. No funding is requested for fiscal year 1995 since carryover unobligated funds are expected to be sufficient to cover a normal level of claims.

### **COMMODITY CREDIT CORPORATION**

Farm commodity programs and selected export programs, such as the CCC Export Guarantee program, are financed through the Commodity Credit Corporation, a government entity for which ASCS provides operating personnel. The Corporation is managed by a Board of Directors, subject to the general supervision and direction of the Secretary of Agriculture. The Board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States by and with the advice and consent of the Senate. The members of the Board and the Corporation's officers all are officials of the U.S. Department of Agriculture. Funds are borrowed by the Corporation from the Treasury to finance CCC programs, and the Corporation has the authority to have outstanding Treasury borrowings of up to \$30 billion at any one time. Commodity support operations, handled primarily through loan, purchase and payment programs, include those for wheat, corn, soybeans, minor oilseed crops, cotton (upland and extra long staple), rice, tobacco, milk and milk products, wool, mohair, barley, oats, sorghum, rye, honey, peanuts, and sugar.

#### Commodity Program Outlays

CCC total net outlays in fiscal year 1993 were \$16.0 billion, an increase of \$6.3 billion from fiscal year 1992 outlays of \$9.7 billion. Due to large 1992 crop year supplies, expenditures for feed grains, wheat and upland cotton were considerably higher in

fiscal year 1993. However, total outlays are expected to show substantial decreases during fiscal years 1994 and 1995. Fiscal year 1994 outlays generally relate to the 1993 crops, and higher 1993 crop prices, reflecting severe weather and reduced yields, are significantly reducing expected outlays in fiscal year 1994. CCC net outlays will also decline as a result of amendments in the Omnibus Budget Reconciliation Act of 1993 and subsequent legislation which phases out the wool and mohair program. Legislation now before Congress will phase out the honey program. Net outlays for fiscal year 1994 are projected at \$12.1 billion, a decrease of \$3.9 billion from fiscal year 1993 actual outlays. Lower export guarantee claims paid also contribute to the decrease in estimated fiscal year 1994 outlays. For fiscal year 1995, outlays are expected to decline to \$9.0 billion, reflecting improvements in market prices for many commodities, reduced disaster payments, and lower estimated export guarantee claims.

#### Reimbursement for Realized Losses

Mr. Chairman, we appreciate the efforts of this Committee in addressing the Corporation's funding needs, and thank the Committee for its clarification last year regarding the availability to CCC of a prior year appropriation. The Committee's action avoided the need for a reappropriation of \$2.9 billion. The 1995 Budget reflects an estimated appropriation need of \$15.5 billion to reimburse the Commodity Credit Corporation for its losses. This is a decrease of \$2.5 billion from the fiscal year 1994 reimbursement to the Corporation. Even with an \$18 billion appropriation in fiscal year 1994, the \$15.5 billion appropriation is necessary to continue to decrease the balance

of unreimbursed CCC losses. Cumulative unreimbursed realized losses are estimated to decrease to \$19.0 billion by the end of fiscal year 1994, and the appropriation request will reduce these unreimbursed losses at the end of fiscal year 1995 to about \$12.5 billion.

We are again proposing that CCC be reimbursed for its losses through the current, indefinite appropriation authority authorized by existing law, but without any cap. CCC should have the flexibility to request funds as needed from Treasury in order to avoid any potential operating disruptions in the future.

In the 1995 Budget, we are proposing to discontinue CCC funding of certain administrative expenses, largely for computer equipment and related ADP services, and to fund those expenses within a direct appropriation to the proposed Farm Service Agency. We believe funding for all salaries and expenses items for the agency should be centralized into one appropriation.

#### Appropriation Language Changes

Several other CCC appropriation language changes are proposed in the budget:

- We are proposing the deletion of existing appropriation language pertaining to floors on export program levels. Minimum export credit program levels are specified in the FACT Act.



- For fiscal year 1995, we are proposing to increase the spending cap for hazardous waste management costs from \$4 million to \$5 million based on a projected change in the operations and maintenance phase of CCC's hazardous waste management program. These additional resources will support increased efforts to promote facility compliance under the requirements of the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act. All other CCC-related hazardous waste management costs are included in the USDA Hazardous Waste Management appropriation.

#### **ADMINISTRATIVE SUPPORT**

Expenses for administering ASCS and CCC programs and other functions assigned to the Agricultural Stabilization and Conservation Service are currently funded by a consolidated Salaries and Expenses Account, which was established by the Agricultural Appropriations Act of 1963 to simplify the budgetary and accounting requirements and recordkeeping of the agency. This account is financed largely through direct appropriation, user fees, and various transfers, advances, and reimbursements from other sources.

Our total request of \$795.1 million for fiscal year 1995 includes \$75.9 million for ADP services and equipment historically funded by the Commodity Credit Corporation. The remainder, which comprises "regular" salaries and expenses funding comparable to the 1994 appropriation, is \$719.2 million, a decrease of \$11.7 million from the 1994

level. This is a tough budget reflecting employment reductions, and full absorption of locality pay as well as inflation for almost all expenditures. Consistent with Executive Order 12837, it also includes a 3-percent cut in certain categories of administrative expenses.

In line with Executive Order 12839 and the Secretary's proposal to reduce USDA employment by 7,500 positions, our request reflects reductions in both Federal and county staffing. For Federal employment, the Budget shows a reduction of 90 staff years, from 3,264 in 1994 to 3,174 in 1995. County office employment would decline by 2,290 staff years, from 14,850 in 1994 to 12,560 in 1995.

The county office reduction includes a decrease of 1,412 staff-years for disaster activity which is not anticipated in 1995. Instead, the Administration has proposed a comprehensive crop insurance proposal that would provide farmers with free catastrophic insurance coverage. To fund the Farm Service Agency's administrative expenses in providing these policies, the Administration has proposed a user fee.

Under the Administration's proposed reorganization plan, the Salaries and Expenses account of ASCS would be divided into three components for transfer along with the activities they support. The major portion would go to the new Farm Service Agency for its commodity-related activities and the Conservation Reserve Program. Another portion would be transferred to the new Natural Resources Conservation Service for administration of the ASCS conservation programs that are proposed to be transferred

to that agency. The third portion would be transferred to the proposed National Appeals Division.

Over the past several months hundreds of employees from ASCS, FmHA, FCIC and Foreign Agricultural Service throughout all levels of the respective agencies have been involved in the Secretary's organizational plans of the new FSA. The plans are consistent with Executive Order 12839 and the Vice President's National Performance Review guidelines for a reduction in the number of employees in the Senior Executive Service and at the GS-14 and -15 levels, and an increase in the supervisory span of control. The result of these efforts will be one streamlined agency which offers a full array of farm programs to customers in a more efficient and effective manner.

Mr. Chairman, this concludes my prepared statement. I will be happy to answer your questions and those of the other Subcommittee Members.

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# AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

## Purpose Statement

The Agricultural Stabilization and Conservation Service (ASCS) was established by the Secretary of Agriculture on June 5, 1961, under the authority of Reorganization Plan No. 2 of 1953, in accordance with the Reorganization Act of 1949, as amended (5 U.S.C. 901-913). The warehouse examination function was transferred from the Agricultural Marketing Service to ASCS under Secretary's Memorandum 1020-15, effective May 13, 1984. The U.S. Warehouse Act (7 U.S.C. 241-273) is the legislative authority for this program. The Food Security Act of 1985 (P.L. 99-198), enacted on December 23, 1985, provided for changes to several existing programs and required the implementation of many new programs, primarily those operated through the Commodity Credit Corporation. The Food, Agriculture, Conservation, and Trade Act of 1990 (FACT Act, P.L. 101-624), enacted on November 28, 1990, extended and revised existing programs and provided several new programs.

The ASCS conducts its programs in the field through a number of offices. State and county Agricultural Stabilization and Conservation committees are responsible for local administration of a variety of programs dealing directly with the farmer. Through the farmer-elected Agricultural Stabilization and Conservation (ASC) county committees, ASCS also obtains recommendations and advice in the formulation of program plans and policies. There are 3,052 county committees, 50 ASC State committees, and an ASC committee in Puerto Rico. The Washington headquarters offices and the Kansas City field offices are the principal staff offices for carrying out activities of the Commodity Credit Corporation (CCC). Such functions include accounting for loans and purchases; acquisition, management, storage, and disposition of commodities; and related transportation and accounting activities.

ASCS licenses warehouses and performs inspections of these facilities, for a fee, to reduce the risk of financial loss to depositors storing commodities at licensed facilities. Inspections are also performed on nonlicensed facilities that have storage contracts with CCC for commodities owned by or pledged as collateral to CCC.

Permanent, full-time, end-of-year Federal employment for ASCS for fiscal years 1994 and 1995 is as follows:

<u>Federal Employment</u>	<u>FY 1993 (actual)</u>	<u>FY 1994 (estimate)</u>	<u>FY 1995 (estimated)</u>
Washington Headquarters	725	697	685
Field Offices (States, Kansas City field Offices, and Aerial Photography Field Office)	2,306	2,269	2,210
TOTAL FEDERAL	3,031	2,966	2,895
ASCS county office Staff-years (FTE's)	14,683	14,850	12,560

Following are the principal programs and funding related to ASCS operations:

1. Salaries and Expenses Account. The administrative expenses of Agency programs and other functions assigned to ASCS are funded by this account. The account was established by the Agricultural Appropriation Act of 1963 (P.L. 87-879) to simplify budgetary and accounting requirements and recordkeeping. Salaries and expenses for administering commodity price

support, related CCC programs, warehouse examinations, conservation, and all other programs are financed by direct appropriation, funds transferred from the CCC, user fees, and various transfers, advances, and reimbursements. The Agricultural Appropriation Act of 1964 (P.L. 88-250) authorized the merger of all sources of administrative expense funds, including those transferred from CCC.

2. Conservation Reserve Program. The Conservation Reserve Program (CRP) was mandated by sections 1231-1244 of the Food Security Act of 1985, as amended by sections 1411-1499 of the Food, Agriculture, Conservation, and Trade Act of 1990 and section 1402 of the Omnibus Budget Reconciliation Act of 1993, to establish permanent cover on highly erodible or environmentally sensitive cropland. The primary objective of the CRP is to help farmers obtain environmental improvements by reducing erosion, enhancing water quality, and improving wildlife habitat.

The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands on all cropland meeting the following eligibility criteria:

- belongs to land capability class VI through VIII,
- has an erosion index greater than 8 with soil loss above the tolerance ("T") level,
- erodes at three times "T" or more,
- erodes at twice "T" and there is serious gully erosion or if trees are planted,
- is subject to scour erosion,
- belongs to a conservation priority area, designated "319" area, or other environmentally sensitive area approved by the Secretary,
- will be placed into a specific enduring conservation practice or is a designated wellhead protection area or other water quality impaired area, or
- is in certain areas adjoining streams or water bodies and established as a filter strip.

Under the Act, as amended, 38 million acres of eligible land is to be entered into the reserve. The program is administered by State and local ASC committees working under the direction of ASCS. Technical assistance is provided by the Soil Conservation Service, the Forest Service, State forestry agencies, the Cooperative Extension Service, conservation districts and other appropriate agencies.

In exchange for entering land into the reserve, program participants receive annual rental payments in cash or CCC commodities, based on their accepted bids per acre, and the number of acres placed under 10- to 15-year contracts. In addition, farmers will receive 50 percent of the eligible costs of establishing vegetative cover on the reserve acreage. The services and facilities of the CCC are used to issue CRP payments, with annual appropriations provided in advance.

3. Agricultural Conservation Program. This program is authorized by sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (P.L. 74-46), as amended and supplemented; sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970 (P.L. 91-524), as added by the Agriculture and Consumer Protection Act of 1973 (P.L. 93-86); section 1501 of the Food and Agriculture Act of 1977 (P.L. 95-113); and the Energy Security Act of 1980 (P.L. 96-294). The program's primary objective is to conserve the nation's agricultural soil and water resources in order to ensure a continuing adequate supply of food and fiber while enhancing the environment. The ACP focuses on the highest priority resource problems and the most cost-effective practices for dealing with these problems.

ensure effective use of available forest lands. Program objectives are met by providing cost-share and technical assistance to landowners to encourage voluntary installation of forestry practices. The program shares up to 65 percent of the cost incurred by the landowner for tree planting and timberstand improvement.

7. Water Bank Program. This program is authorized by the Water Bank Act (P.L. 91-559), enacted December, 1970, as amended by P.L. 96-182, enacted January, 1980. Its objectives are to preserve and improve migratory waterfowl and wildlife-related resources; conserve surface water and reduce runoff, soil and wind erosion; improve flood control; contribute to improved soil moisture; enhance landscape aesthetics; and promote comprehensive water management planning. Ten-year agreements are entered into with landowners and operators in important migratory waterfowl nesting, breeding, and feeding areas for the conservation of specified wetlands.

The agreements are for 10-year periods with provision for renewal for additional periods. Rates are established by the ASC State committee based on prevailing local rental rates. Payment rates may be adjusted at the beginning of the fifth year of the agreements to reflect current land values.

8. Emergency Conservation Program. This program is authorized by Title IV of the Agricultural Credit Act of 1978 (P.L. 95-334) and amended by the Disaster Assistance Act of 1989, section 402. Its objective is to restore to normal agricultural use farmlands damaged by wind erosion, hurricane, flood, or other natural disaster and designated as eligible for assistance by ASC county committees. Also included under the program are water conservation and water enhancement practices during periods of severe drought as determined by the ASCS Deputy Administrator for State and County Operations. Up to 64 percent of the cost of carrying out approved practices under this program is shared with farmers.

9. Rural Clean Water Program. This experimental program is authorized by the Agricultural Appropriation Acts of 1980 (P.L. 96-108) and 1981 (P.L. 96-528). The program is a cooperative endeavor among farmers, various USDA agencies, and EPA to develop and test means of controlling agricultural nonpoint source water pollution in rural areas. Improved water quality is achieved, in keeping with water quality goals and standards, in a cost-effective manner. The program provides financial and technical assistance through long-term contracts of 3 to 10 years to install and maintain best management practices in approved project areas which have critical water quality problems resulting from agricultural activity.

The last RCWP contracts were signed in January 1990, and installation of practices was completed in most projects by the end of 1992. The effectiveness of these practices in reducing pollutants is being evaluated.

10. Dairy Indemnity Program. This program was established by section 3 of P.L. 90-484, "An Act to provide indemnity payments to dairy farmers." This law carried out the intent of P.L. 88-452, Economic Opportunity Act of 1964, which originally authorized indemnity payments. The program was extended through September 30, 1995, by section 110 of the FACT Act of 1990.

Under this program, indemnity payments are made to farmers and manufacturers who are directed to remove their milk or milk products from commercial markets because of (1) residues of chemicals that have been registered and approved by the Federal Government, (2) residues of other chemicals and toxic substances, or (3) nuclear fallout. The authority also provides indemnity payments on cows producing such milk.



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11. Commodity Credit Corporation Program Activities. Various commodity price support, export, and related programs have been authorized in numerous laws since the early 1930's. Operations under these programs are financed through the Commodity Credit Corporation. Personnel and facilities of the Agricultural Stabilization and Conservation Service are used in the administration of the CCC programs. The Administrator of ASCS is ex-officio Executive Vice President of the Corporation. Additional information on the commodity price support, export, and related activities of the Commodity Credit Corporation is found elsewhere in these Explanatory Notes.
12. Foreign Assistance Programs and Other Special Activities. Various foreign assistance programs and other special activities are authorized by law. These laws authorize the use of CCC funds and/or facilities to implement the programs. Under the Agricultural Trade Development and Assistance Act of 1954, Public Law 480, 83rd Congress, as amended by section 1512 of the FACT Act of 1990, the Corporation assists in the sale of exported agricultural commodities (Title I) in accordance with credit reform financing provisions; donates commodities to foreign countries to alleviate famine or other emergency conditions and to combat hunger and malnutrition (Title II); and furnishes commodities to least developed countries through government-to-government agreements (Title III). Funds are made available to the Corporation for its costs incurred or to be incurred in connection with P.L. 480 activities. Additional information on these programs is found elsewhere in these Explanatory Notes.
13. Other Activities. The Agricultural Stabilization and Conservation Service is responsible for part of the Department's emergency preparedness work. This activity includes defense readiness for food production; domestic distribution of farm machinery, fertilizer, feed, and seed; food processing and storage; and distribution through the wholesale level. ASCS also performs certain services for other Federal agencies and others on an advance or reimbursable payment basis.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Available Funds and Staff - Years  
1993 Actual and Estimated, 1994 and 1995

Item	1993 Actual		1994 Estimated		1995 Estimated	
	Amount	Staff - Years	Amount	Staff - Years	Amount	Staff - Years
Salaries & Expenses, ASCS .....	\$783,432,000	2,966	\$816,801,000 a/	2,918	\$795,098,000	2,829
Agricultural Conservation Program .....	184,713,000		184,916,000		100,000,000	
Colorado River Basin Salinity Control Program .....	8,772,700		8,773,000		8,394,000	
Conservation Reserve Program .....	1,542,098,637		1,743,274,000		1,752,216,000	
Dairy Indemnity Program .....	5,000		--		--	
Forestry Incentives Program .....	12,446,000		12,820,000		6,625,000	
Water Bank Program .....	17,130,000		7,360,000		8,000,000	
Wetlands Reserve Program .....	--		61,425,000		240,900,000	
Emergency Conservation Program .....	86,187,000		-- b/		3,000,000	
<b>Subtotal, ASCS .....</b>	<b>2,634,784,337</b>	<b>2,966</b>	<b>2,835,369,000</b>	<b>2,918</b>	<b>2,914,233,000</b>	<b>2,829</b>
Obligations under other USDA appropriations:.....	49,504,820	280	52,117,104	288	56,550,104	279
Credit Reform Transfers:						
P.L. 480 Program Account .....	1,036,000	25	1,036,000	25	1,054,000	18
CCC Export Loans Program Account .....	589,000	14	589,000	14	600,000	11
Total, Credit Reform Transfers .....	1,625,000	39	1,625,000	39	1,654,000	29
<b>Total Agriculture and Related Agencies Appropriations .....</b>	<b>2,685,913,957</b>	<b>3,285</b>	<b>2,889,111,104</b>	<b>3,245</b>	<b>2,972,437,104</b>	<b>3,137</b>
Other Federal Funds .....	11,333,965	3	11,602,000	3	10,971,000	2
Non-Federal Funds .....	25,279,858	50	7,369,000	16	19,005,000	35
<b>Total, Agricultural Stabilization and Conservation Service .....</b>	<b>2,722,527,780</b>	<b>3,338</b>	<b>2,908,082,104</b>	<b>3,264</b>	<b>3,002,413,104</b>	<b>3,174</b>

a/ Excludes proposed rescission of \$12,166,700.

b/ Excludes proposed supplemental of \$25,000,000.

NOTE: Staff-years shown do not include staff years for ASCS county and community committee persons and employees of ASCS county committees who are not Federal employees.

ASCS county employee staff-years are as follows:

	Ongoing Programs	Disaster Activities	Total
FY 1993	13,317	1,366	14,683
FY 1994	13,438	1,412	14,850
FY 1995	12,560	-0-	12,560



**AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE**  
**Permanent Positions by Grade and Staff-Year Summary**  
**1993 and Estimated 1994 and 1995**

Grade	1993			1994			1995		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
ES 6	0	0	0	1	0	1	1	0	1
ES 5	2	1	3	3	1	4	3	1	4
ES 4	6	0	6	10	1	11	10	1	11
ES 3	0	0	0	2	0	2	2	0	2
ES 2	1	0	1	0	0	0	0	0	0
ES 1	1	0	1	3	0	3	3	0	3
GS/GM 15	46	27	73	41	24	66	37	20	57
GS/GM 14	93	43	136	84	39	122	75	34	109
GS/GM 13	191	304	495	187	298	485	187	278	465
GS 12	127	668	795	124	655	779	124	645	769
GS 11	36	364	400	35	357	392	35	353	388
GS 10	1	5	6	1	5	6	1	5	6
GS 9	31	131	162	30	128	159	28	128	156
GS 8	12	21	33	12	21	32	11	21	32
GS 7	58	268	326	57	263	319	57	255	312
GS 6	61	215	276	60	211	270	58	209	267
GS 5	45	270	315	44	265	309	42	257	299
GS 4	15	52	67	15	51	66	14	49	63
GS 3	4	6	10	4	6	10	3	6	9
GS 2	3	2	5	3	2	5	2	2	4
GS 1	1	0	1	1	0	1	1	0	1
Ungraded Positions	10	1	11	10	1	11	10	1	11
Total Permanent Positions	744	2,378	3,122	727	2,326	3,053	704	2,265	2,969
Unfilled Positions end-of-year	102	168	270	0	0	0	0	0	0
Total, Permanent Employment, end-of-year	846	2,546	3,392	727	2,326	3,053	704	2,265	2,969
Staff-Year Ceiling	733	2,605	3,338	727	2,537	3,264	707	2,467	3,174

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

CLASSIFICATION BY OBJECTS1993 and Estimated 1994 and 1995

	<u>1993</u>	<u>1994</u>	<u>1995</u>
<b>Personnel Compensation:</b>			
Headquarters .....	\$34,450,000	\$35,972,000	\$35,122,000
Field .....	<u>86,812,000</u>	<u>88,120,000</u>	<u>85,496,000</u>
11 Total personnel compensation .....	121,262,000	124,092,000	120,618,000
12 Personnel benefits .....	24,183,000	25,593,000	25,888,000
13 Benefits for former personnel .....	<u>1,244,000</u>	<u>2,239,000</u>	<u>2,305,000</u>
Total pers. comp. & benefits .....	<u>146,689,000</u>	<u>151,924,000</u>	<u>148,811,000</u>
<b>Other Objects:</b>			
21 Travel .....	4,410,000	4,394,000	4,215,000
22 Transportation of things .....	1,912,000	1,905,000	1,842,000
23.2 Rental payment to others .....	6,400,000	6,574,000	6,764,000
23.3 Comm., util., & misc. charges .....	10,427,000	15,760,000	16,115,000
24 Printing and reproduction .....	2,661,000	2,650,000	2,571,000
25 Other services .....a/	85,859,000	101,312,000	71,403,000
26 Supplies and materials .....	5,667,000	6,749,000	5,611,000
31 Equipment .....	19,682,000	25,562,000	23,634,000
41 Grants, subsidies, and contributions b/	2,490,245,000	2,766,634,000	2,688,822,000
42 Insurance claims and indemnities .....	26,000	21,000	17,000
43 Interest and dividends .....	9,000	9,000	9,000
44 Refunds .....	<u>52,000</u>	<u>52,000</u>	<u>50,000</u>
Total other objects .....	<u>2,627,350,000</u>	<u>2,931,622,000</u>	<u>2,821,053,000</u>
Total direct obligations .....	<u>2,774,039,000</u>	<u>3,083,546,000</u>	<u>2,969,864,000</u>

a/ Conservation program obligations are also included in this object class.

b/ County office staff—year costs and conservation program obligations are included here.

Position Data:

Average Salary, ES positions .....	\$106,318	\$109,691	\$112,555
Average Salary, GM/GS positions .....	\$39,592	\$40,848	\$41,915
Average Grade, GM/GS positions .....	10.05	10.10	10.15

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Salaries and Expenses (Including Transfers of Funds)

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393); the Agricultural Act of 1949, as amended (7 U.S.C. 1421 et seq.); sections 7 to 15, 16(a), 16(f) and 17 of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q); sections 1001 to 1004, 1006 to 1008, and 1010 of the Agricultural Act of 1970, as amended (16 U.S.C. 1501 to 1504, 1506 to 1508, and 1510); the Water Bank Act, as amended (16 U.S.C. 1301-1311); the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101); sections 202(c) and 205 of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C. 1592(c), 1595); sections 401, 402, and 404 to 406 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 to 2205); the United States Warehouse Act, as amended (7 U.S.C. 241-273); title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3811 et seq.); and laws pertaining to the Commodity Credit Corporation, [\$732,467,000] \$796,752,000; of which [\$730,842,000] \$795,098,000 is hereby appropriated, and [\$1,036,000] \$1,054,000 is transferred from the Public Law 480 Program Account in this Act and [\$589,000] \$600,000 is transferred from the Commodity Credit Corporation Program Account in this Act: Provided, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this account: Provided further, That beginning in fiscal year 1995, equipment purchases previously funded by the Commodity Credit Corporation shall be funded from amounts available under this head: Provided further, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$100,000 shall be available for employment under 5 U.S.C. 3109: Provided further, That no part of the funds made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

The change in language restricts the use of CCC funds for administrative equipment and other ADP costs.



AGRICULTURAL STABILIZATION AND CONSERVATION SERVICESALARIES AND EXPENSES

Appropriations Act, 1994 .....		\$730,842,000
Budget Estimate, 1995 .....		795,098,000
Increase in Appropriation .....		<u>+\$ 64,256,000</u>
Adjustment in 1994		
Appropriation Act, 1994 .....	\$730,842,000	
Transfer from Commodity Credit Corporation a/ .....	<u>+85,959,000</u>	
Adjusted Base for 1994 .....		\$816,801,000
Budget Estimate, 1995 .....		795,098,000
Decrease from adjusted 1994 .....		<u>-\$ 21,703,000</u>

a/ Reflects direct appropriation of \$85,959,000, for administrative equipment and other ADP costs previously funded from CCC.

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Cost</u>	<u>Equipment and Other ADP Related</u>	<u>Other Personnel/ Program Related Changes</u>	<u>1995 Estimated</u>
Salaries and Expenses:					
County Offices.....	\$524,368,000	4,808,000	-0-	-12,957,000	\$516,219,000
Federal Offices.....	<u>292,433,000</u>	<u>1,690,000</u>	<u>-10,042,000</u>	<u>-5,202,000</u>	<u>278,879,000</u>
Total S&E.....	<u>\$816,801,000</u>	<u>6,498,000</u>	<u>-10,042,000</u>	<u>-18,159,000</u>	<u>\$795,098,000</u>

**PROJECT STATEMENT**  
 (On basis of adjusted appropriation)  
 (Dollars in Thousands)

	1993 Actual		1994 Estimated a/		Increase or Decrease	1995 Estimated	
	Amount	Staff- Years	Amount	Staff- Years		Amount	Staff- Years
1. Program formulation and appraisal.....	\$26,958	109	\$30,211	108	-\$2,273	\$27,938	105
2. Operation of supply adjustment, conservation, disaster, and price support programs.....	673,072	2,537	702,210	2,505	-12,826	689,384	2,433
3. Inventory management and merchandising.....	80,612	304	84,102	300	-6,326	77,776	291
4. Warehouse examination.....	790	16	278	5	-278	-0-	-0-
Total available or estimate....	783,432	2,966	816,801	2,918	-21,703 (1)	795,088	2,829
Transfer to OSEC.....	212	-0-	-0-	-0-			
Transfer from CCC.....	-58,718	-0-	-85,959	-0-			
Total, Appropriation	724,926	2,966	730,842	2,918			

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Farm Service Agency, the Natural Resources Conservation Service, and the National Appeals Division.

a/ Excludes proposed rescission of \$12,166,700.

**PROJECT STATEMENT**  
(On basis of available funds)  
(Dollars in Thousands)

	1993 Actual		1994 Estimated a/		Increase or Decrease	1995 Estimated	
	Amount	Staff- Years	Amount	Staff- Years		Amount	Staff- Years
1. Program formulation and appraisal.....	\$28,514	110	\$30,655	108	-\$2,717	\$27,938	105
2. Operation of supply adjustment, conservation, disaster, and price support programs.....	662,752	2,563	712,530	2,505	-23,146	689,384	2,433
3. Inventory management and merchandising.....	79,376	307	85,338	300	-7,562	77,776	291
4. Warehouse examination.....	790	16	278	5	-278	-0-	-0-
Subtotal.....	771,432	2,996	828,801	2,918	-33,703	795,098	2,829
Unobligated balance brought forward from prior year....	-0-	-0-	-12,000	-0-	+12,000	-0-	-0-
Unobligated balance carried forward to next year.....	12,000	-0-	-0-	-0-	-0-	-0-	-0-
Total available or estimate....	783,432	2,996	816,801	2,918	-21,703	795,098	2,829
Transfer to OSEC.....	212	-0-	-0-	-0-			
Transfer from CCC.....	-58,718	-0-	-85,959	-0-			
Total, Appropriation	724,926	2,996	730,842	2,918			

a/ Excludes proposed rescission of \$12,166,700.



## EXPLANATION OF PROGRAM

The account "Salaries and Expenses, Agricultural Stabilization and Conservation Service" funds the administrative expenses of program administration and other functions assigned to ASCS. The Budget for Salaries and Expenses, ASCS, reflects funding provided by direct appropriations. Funds made available to ASCS by other agencies for services associated with various programs are also advanced to and merged with this account including the transfer of funds for Credit Reform administrative expenses from other accounts. All administrative funds used by ASCS are consolidated into one account, which provides clarity and better management and control of funds. The consolidation facilitates accounting, fiscal, and budgetary work by eliminating the necessity for making individual allocations and allotments and maintaining and recording obligations and expenditures under numerous separate accounts.

The activities carried out under this account are as follows:

1. Program formulation and appraisal. The supply adjustment, conservation, and commodity support programs have a major impact on the national and, to a lesser extent, the international economy. This activity provides for the development and constant review of the effectiveness of these programs. It also provides for the analysis of data to formulate more effective programs.
  2. Operation of supply adjustment, conservation, and price support programs. This activity includes all functions dealing with the administration of programs carried out through the farmer committee system, including (a) developing program regulations and procedures; (b) holding meetings with employees and producers to discuss new programs or changes in existing programs; (c) collecting and compiling basic data for individual farms; (d) establishing individual farm allotments, bases, and yields; (e) notifying producers of established allotments, bases, and yields; (f) determining farm marketing quotas; (g) handling appeals; (h) conducting referendums and certifying results; (i) accepting farmer certifications and checking compliance; (j) accepting producer applications for participation in commodity price stabilizing programs; (k) issuing marketing cards so that production from the allotted acreage can be marketed without penalty; (l) processing producer requests for conservation cost-sharing and issuing conservation reserve rental payments; (m) producer signups and entering into easement agreements for the Wetlands Reserve Program; (n) processing commodity, storage facility, and grain reserve loans and repayments and issuing checks; (o) processing disaster and deficiency payments and issuing checks and commodity certificates; and (p) certifying payment eligibility and monitoring payment limitations.
  3. Inventory management and merchandising. This activity includes: (a) overall management of CCC-owned commodities; (b) purchasing commodities; (c) donating commodities; (d) selling commodities (e) processing the redemption of commodity certificates for CCC inventory; and, (f) accounting for loans and commodities.
- The foregoing activities serve as administrative support for the following missions of the Department as described previously under Foreign Assistance Programs, Agricultural Stabilization and Conservation Service, and Commodity Credit Corporation, respectively:

- o Agricultural exports
- o Environmental improvement and resource development and use
- o Farm income

4. Warehouse Examination. This activity provides for the examination of warehouses licensed under the U.S. Warehouse Act and non-licensed warehouses storing CCC-owned or pledged commodities. ASCS examiners perform periodic examinations of the facilities and the warehouse records to ensure protection of depositors against potential losses of the stored commodities and to ensure compliance with the U.S. Warehouse Act and any CCC storage agreements.

# JUSTIFICATION OF INCREASES AND DECREASES

- (1) A net decrease of \$21,703,000 for ASCS Salaries and Expenses (\$816,801,000 available in fiscal year 1994) consisting of:
- (a) An increase of \$6,498,000 which reflects the 1.6 percent pay raise.
- (b) A decrease of \$10,042,000 for equipment and other ADP related expenses.

Need for Change. These funds are needed to purchase ADP related services and other equipment historically funded by the Commodity Credit Corporation (CCC) to carry out program operations. This activity would be financed through discretionary funds as it is for other USDA agencies.

Nature of Change. This request reflects a change in funding for traditional program related expenditures from the Commodity Credit Corporation to the ASCS Salaries and Expenses Account. The change reflects reclassification of these program support expenses from CCC to the discretionary ASCS administrative account. The cap on discretionary spending would be increased to accommodate this shift in funding source.

- (c) A net decrease of \$18,159,000 for personnel/program related changes as follows:

- A decrease of \$31.5 million for a reduction in Federal and County employment costs.

Need for Change. In support of the President's Executive Order mandating a reduction in Federal employment by 1998 and in accordance with the Secretary's Department wide streamlining plan, ASCS plans to reduce through attrition federal office staffing by about 8 percent from 1993 ceiling levels. County office staffing will also be reduced by about 6 percent as part of the streamlining and creation of a Farm Service Agency.

Nature of Change. Although the ASCS Federal staff-year ceiling is 3,174 in 1995, ASCS will be unable to support that number due to other operating costs which must be paid. ASCS will support 3,043 staff years, a decrease of 221 from FY 1994, saving \$9.5 million. County office direct staff years will be reduced by 966 saving \$22 million. This reduction includes disaster related staff years which are not budgeted in 1995.

- A decrease of \$1.9 million for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead outlays from the FY 1993 baseline, budget authority is reduced by \$1,948,000.

Nature of Change. In order to achieve these savings, ASCS will reduce discretionary expenses by \$1.9 million in FY 1995, in areas such as travel, training, postage, supply purchases, printing and reproduction costs.

- An increase of \$9.3 million to pay normal within grade increases, promotions and increased costs for benefits.

Need for Change. This increase is needed to pay normal personnel related costs associated with within grade increases and promotions and the related increased costs associated with contributions to employee retirement systems.

Nature of Change. The request reflects \$2.3 million for Federal office employee costs and \$7 million for county office employees.

- An increase of \$5.9 million to pay for increases in rent and utility costs for ASCS Federal and County offices.

Need for Change. Federal and local ASCS County offices are required to pay for increased rent and utility costs.

Nature of Change. The funding request includes increases of \$0.5 million for Federal offices and \$5.4 million for County offices for rents and utilities.

# AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

## Salaries and Expenses

### Summary of Proposed Legislation (Dollars in Thousands)

#### SUMMARY OF INCREASES AND DECREASES—PROPOSED LEGISLATION

1995

<u>Item of Change</u>	<u>Current Law</u>	<u>Program Changes</u>	<u>President's Request</u>
Salaries and Expenses	\$795,098	-\$40,000	\$755,098

#### Explanation of Proposed Legislation

The reduction reflects a decrease in direct appropriation to ASCS, which, under crop insurance reform, would be replaced by new fees that ASCS will collect under the proposed legislation. The proposed fee level of \$40 million is based on a fee of \$50 per crop for about 800,000 policies and the collections would be used to administratively support crop insurance functions at county offices.



## PROJECT STATEMENT - PROPOSED REORGANIZATION

	1953		1994		Increase or Decrease	1995	
	Actual	Staff- Years	Estimated	Staff- Years		Estimated	Staff- Years
	Amount		Amount			Amount	
<b>Agricultural Stabilization and Conservation Service</b>							
<b>Salaries and Expenses:</b>							
To Farm Service Agency.....	\$750,543,000	3,237	\$781,576,000	3,162	-\$14,319,000	\$767,257,000	3,072
To Natural Resources Conservation Service.....	31,729,000	80	33,977,000	80	-\$7,384,000	26,593,000	80
To National Appeals Division.....	1,180,000	21	1,248,000	22	0	1,248,000	22
Total, Appropriation.....	783,452,000	3,338	816,801,000	3,264	-\$21,703,000	795,098,000	3,174

## EXPLANATION OF PROPOSED REORGANIZATION

The Salaries and Expenses Appropriation of the Agricultural Stabilization and Conservation Service will be separated into three separate entities under the Reorganization Proposal.

Under the proposal, the bulk of the ASCS Salaries and Expenses Account will be transferred to the Farm Service Agency. The FSA will administer commodity price support and production adjustment programs and related commodity operations, including commodity purchase and disposition, storage and warehouse licensing activities.

The Natural Resources Conservation Service portion represents personnel at the national and state office level and salaries and expense funding for administrative support for all conservation cost-share programs except Conservation Reserve Program. Non-Federal ASCS county employees will remain in the FSA and FSA will be reimbursed by NRCS for conservation program functions performed by these employees.

Under the proposal, administrative support costs associated with handling producer ASCS/CCC program appeals will be transferred to an independent National Appeals Division under the Secretary of Agriculture's immediate office. This transfer separates appeals activity from individual agency program delivery activities and provides for final determinations at the Department level.

The following tabulation shows totals in this account for administrative expenses:

Project	1993 Actual	1994 Estimated	1995 Estimated
The obligations are distributed by activities as follows:			
1. Program formulation and appraisal.....	\$31,428,000	\$32,965,000	\$32,380,000
2. Operation of supply adjustment, conservation, disaster and price support programs.....	730,486,000	766,213,000	750,297,000
3. Inventory management and merchandising.....	87,488,000	91,767,000	89,761,000
4. Warehouse examination.....	8,148,000	8,944,000	9,186,000
Total.....	\$857,550,000	\$899,889,000	\$881,624,000
Obligations under direct appropriation.....	771,432,000	828,801,000	795,098,000
Obligations under funds from other sources and consolidated with this account.....	86,118,000	71,088,000	86,526,000
Total.....	857,550,000	899,889,000	881,624,000

#### HOW ESTIMATES ARE MADE

Following is a brief description of the process for estimating requirements for Salaries and Expenses, ASCS:

County Offices. A work measurement study is made in approximately 160 counties to determine actual time required to complete units of work by category. Time and units reported by these work measurement counties are used to establish coefficients. Coefficients are then applied to units of work reported by all 2,638 headquarter counties for each category of work in each major program or function. Unmeasured work reflects other activities, less subject to this work measurement technique, which are recorded on an actual workday basis. This determines the normal work—days required for the workload involved in each fiscal year. The workload for each major program or function is shown in Table I and reflects changing program requirements.

The actual obligations for 1993, divided by the actual work—years, determined the average work—year cost for 1993. This cost was revised for 1994 and 1995 to reflect related pay adjustments and for changing workload and personnel requirements.

State, Field, and National Office Costs. Requirements for these offices are determined on the basis of past experience and program workload requirements. Table II reflects volume by major activity for field and national offices.

TABLE 1

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE  
SALARIES AND EXPENSES, ASCS

Normal Work – Days by Program/Function  
FY 1993 Actual, FY 1994 Estimated and FY 1995 Projected

Program/Function	FISCAL YEAR		
	1993 Actual	1994 Estimated	1995 Projected
Conservation and Related Programs.....	300,706	308,845	243,410
Wool and Mohair.....	18,980	18,980	17,818
Loan Activity.....	250,603	206,076	257,197
Compliance.....	661,734	686,338	603,195
Yield and Base Establishment.....	146,587	153,000	80,733
Commodity Program Payments...	555,354	582,020	332,321
Basic Farm Records.....	495,733	503,107	469,012
Peanut Quotas and Marketings....	19,864	19,864	18,648
Tobacco Allotment and Marketings.....	74,992	74,992	70,400
Referenda.....	178	389	939
Administration.....	892,172	889,500	815,408
Committee Elections.....	37,357	37,357	35,069
Miscellaneous.....	132,418	147,495	102,869
State and County Office Automation Project.....	16,494	16,000	14,081
Subtotal.....	3,603,173	3,643,963	3,061,100
Measurement Services.....	170,192	173,635	163,795
FCIC and Reinsured Companies..	44,219	43,468	40,705
Total.....	3,817,583	3,861,066	3,265,600
County Staff Year Equivalent of Total Normal Workdays.....	14,683	14,850	12,560
(Ongoing Workload)	(13,317)	(13,438)	(12,560)
(Disaster Workload)	(1,366)	(1,412)	0



COMPUTATIONS FOR DEVELOPING  
COUNTY OFFICE AND TOTAL COSTS

The computations below include all funds (Appropriated funds, user fees, other advances and reimbursements) available to Salaries and Expenses, ASCS:

Fiscal Year 1993

Normal work—days (Table 1).....	3,817,583
Work—years for workload programs.....a/	14,683
Obligations for workload programs (county offices).....a/	\$582,766,000
Obligations for other offices.....b/	\$274,784,000
Total obligations, fiscal year 1993.....	\$857,550,000

Fiscal Year 1994

Normal work—days (Table 1).....	3,861,066
Work—years for workload programs.....a/	14,850
Obligations for workload programs (county offices).....a/	\$584,051,000
Obligations for other offices.....b/	\$315,838,000
Total obligations, fiscal year 1994.....	\$899,889,000

Fiscal Year 1995

Normal work—days (Table 1).....	3,265,600
Work—years for workload programs.....a/	12,560
Obligations for workload programs (county offices).....a/	\$575,424,000
Obligations for other offices.....b/	\$306,200,000
Total obligations, fiscal year 1995.....	\$881,624,000

a/ The following work—years and funds are included for reimbursable county office workload associated with the Federal Crop Insurance Act of 1980.

b/ Includes \$58,506,000, \$85,959,000 and \$79,217,000 in FY 1993, FY 1994, and FY 1995, respectively, for equipment and ADP related expenses, previously funded by CCC.

	FY 1993		FY 1994		FY 1995	
	Work—years	Dollars	Work—years	Dollars	Work—years	Dollars
FCIC.....	170	\$6,206,000	167	\$5,862,000	157	\$6,450,000

TABLE II

COMMODITY CREDIT CORPORATION  
Summary of Major Program Volume by Commodity  
(in thousands)

Item and Commodity	Units	FY 1993 Actual	FY 1994 Estimated	FY 1995 Estimated
<b>1. LOANS MADE</b>				
Upland Cotton	(bales)	8,375	7,289	6,800
Corn	(bu)	1,644,135	818,500	1,598,000
Grain Sorghum	(bu)	45,871	21,700	45,000
Rice, Rough	(cwt)	104,374	49,739	129,411
Wheat	(bu)	270,213	330,000	389,000
Soybeans	(bu)	181,785	124,779	240,000
Minor Oilseeds	(cwt)*	1,192	628	1,033
Other Grains	(bu)**	39,718	60,471	55,142
Honey	(lb)	131,689	124,220	115,320
ELS Cotton	(bales)	140	150	150
<b>2. LOAN COLLATERAL FORFEITURES</b>				
Upland Cotton	(bales)	11	0	0
Corn	(bu)	264	0	0
Grain Sorghum	(bu)	12	0	0
Rice, Rough	(cwt)	945	205	99
Wheat	(bu)	106	0	0
Soybeans	(bu)	1,397	37	567
Minor Oilseeds	(cwt)*	77	0	0
Other Grains	(bu)**	28	0	0
Honey	(lb)	3,122	3,712	3,722
ELS Cotton	(bales)	76	86	100
<b>3. DISPOSITIONS</b>				
Upland Cotton	(bales)			
Regular		122	53	48
Certificates		422	481	417
Total		544	534	465
Corn	(bu)			
Regular		124,860	50,385	12,475
Certificates		14	0	0
Total		124,874	50,385	12,475
Grain Sorghum	(bu)			
Regular		8,423	6,259	3,231
Certificates		0	0	0
Total		8,423	6,259	3,231
Rice, Rough	(cwt)			
Regular		7,520	8,159	4,857
Certificates		4,216	0	0
Total		11,736	8,159	4,857

(continued next page)

TABLE II (continued)

Item and Commodity		Units	FY 1993 Actual	FY 1994 Estimated	FY 1995 Estimated
Wheat		(bu)			
	Regular		160,413	75,716	50,224
	Certificates		<u>0</u>	<u>0</u>	<u>0</u>
	Total		160,413	75,716	50,224
Soybeans		(bu)			
	Regular		1,560	216	532
	Certificates		<u>0</u>	<u>0</u>	<u>0</u>
	Total		1,560	216	532
Minor Oilseeds		(cwt)*			
	Regular		426	2	0
	Certificates		<u>0</u>	<u>0</u>	<u>0</u>
	Total		426	2	0
Other Grains		(bu)**			
	Regular		241	63	0
	Certificates		<u>0</u>	<u>0</u>	<u>0</u>
	Total		241	63	0
Honey		(lb)			
	Regular		6,241	4,500	4,000
	Certificates		<u>0</u>	<u>0</u>	<u>0</u>
	Total		6,241	4,500	4,000
ELS Cotton		(bales)			
	Regular		0	111	90
	Certificates		<u>0</u>	<u>0</u>	<u>0</u>
	Total		0	111	90
<b>4. ENDING INVENTORIES</b>					
Upland Cotton		(bales)	13	0	0
Corn		(bu)	56,621	45,000	45,000
Grain Sorghum		(bu)	3,948	2,000	1,000
Rice, Rough		(cwt)	846	0	99
Wheat		(bu)	150,974	147,000	147,000
Soybeans		(bu)	202	23	58
Minor Oilseeds		(cwt)*	2	0	0
Other Grains		(bu)**	5,435	5,372	5,372
Honey		(lb)	2,889	2,101	1,823
Els Cotton		(bales)	76	51	61

\*Includes sunflower seed, canola, flaxseed, rapeseed, mustard seed and safflower seed.

\*\* Includes barley, oats, and rye.



**Agricultural Stabilization and Conservation Service**  
**Salaries and Expenses**  
**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND FEDERAL STAFF-YEARS**  
**1993 and Estimated 1994 and 1995**

State	1993		1994		1995	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Alabama	13,540,480	31	14,031,991	30	13,959,711	30
Alaska	805,238	5	834,468	5	830,169	5
Arizona	2,730,002	11	2,829,099	11	2,814,527	11
Arkansas	14,062,338	29	14,572,792	28	14,497,727	28
California	9,001,474	24	9,328,222	24	9,280,172	24
Colorado	8,356,810	21	8,660,157	21	8,615,548	21
Connecticut	1,371,964	6	1,421,765	6	1,414,442	6
Delaware	980,625	6	1,016,221	6	1,010,986	6
District of Columbia	125,117,000	714	160,406,002	704	128,774,287	689
Florida	8,078,698	20	8,371,949	20	8,328,825	20
Georgia	20,915,962	40	21,675,198	39	21,563,548	38
Hawaii	692,150	5	717,275	5	713,580	5
Idaho	8,009,805	20	8,300,556	20	8,257,799	20
Illinois	30,164,082	37	31,259,018	36	31,098,002	35
Indiana	19,656,154	27	20,369,659	26	20,264,735	25
Iowa	35,245,701	35	36,525,097	34	36,336,955	33
Kansas 1/	62,861,000	1,186	63,762,000	1,140	64,805,198	1,084
Kentucky	18,927,796	32	19,614,863	31	19,513,826	30
Louisiana	10,790,598	25	11,182,290	24	11,124,689	24
Maine	2,830,994	9	2,933,757	9	2,918,645	9
Maryland	3,655,834	11	3,788,642	11	3,769,127	11
Massachusetts	1,442,915	7	1,495,292	7	1,487,590	7
Michigan	16,607,833	26	17,210,686	25	17,122,034	24
Minnesota	21,727,370	28	22,516,059	27	22,400,078	26
Mississippi	15,754,648	34	16,326,531	33	16,242,433	32
Missouri	23,826,529	33	24,691,416	32	24,564,230	31
Montana	11,141,005	22	11,545,416	22	11,485,945	22
Nebraska	27,728,192	37	28,734,707	36	28,586,694	35
Nevada	1,241,301	6	1,286,359	6	1,279,733	6
New Hampshire	1,208,578	6	1,252,449	6	1,245,997	6
New Jersey	1,751,865	8	1,815,457	8	1,806,105	8
New Mexico	4,014,553	13	4,160,279	13	4,138,849	13
New York	8,951,793	21	9,276,737	21	9,228,952	21
North Carolina	21,489,407	37	22,269,458	36	22,154,748	35
North Dakota	18,948,964	29	19,636,799	28	19,535,649	27
Ohio	18,331,819	31	18,997,252	30	18,899,397	29
Oklahoma	14,756,829	31	15,292,492	30	15,213,720	29
Oregon	6,166,758	19	6,390,607	19	6,357,689	19
Pennsylvania	11,139,451	21	11,543,806	21	11,484,343	21
Puerto Rico-Virgin Islands	1,116,818	24	1,157,358	24	1,151,396	23
Rhode Island	455,987	3	472,539	3	470,105	3
South Carolina	9,460,682	25	9,804,069	24	9,753,597	24
South Dakota	16,587,952	23	17,190,084	22	17,101,537	22
Tennessee	17,894,853	33	18,544,424	32	18,448,902	31
Texas	47,743,323	68	49,476,374	66	49,221,522	65
Utah 1/	6,532,955	14	6,770,097	14	6,735,224	14
Vermont	1,766,629	7	1,830,756	7	1,821,326	7
Virginia	12,611,365	28	13,069,149	28	13,001,830	27
Washington	6,599,841	16	6,839,515	16	6,804,284	16
West Virginia	5,572,026	15	5,774,287	15	5,744,543	15
Wisconsin	17,886,463	25	18,535,730	25	18,440,252	25
Wyoming	3,178,391	12	3,293,765	12	3,276,798	12
Direct						
Obligations/Estimates	771,432,000	2,996	828,801,000	2,918	795,098,000	2,829
Undistributed						
Reimbursements	86,118,000	342	71,088,000	346	86,526,000	345
Total, Available or Estimate	\$857,550,000	3,338	\$899,889,000	3,264	\$881,624,000	3,174

1/ Included are the direct staff-years for Kansas City Field Offices. (See breakdown below)

Aerial Photography Field Offices (APFO) staff-years in Utah are all reimbursable. They are not included in Utah which contains only direct staff-years.

	1993	1994	1995
	Staff-Years	Staff-Years	Staff-Years
Kansas:			
Kansas City Field Offices	1,157	1,119	1,032
Kansas City Warehouse Function	12	5	0
Subtotal	1,169	1,124	1,032

## SALARIES AND EXPENSES

## STATUS OF PROGRAM

The Salaries and Expenses account includes funds to cover expenses of programs administered by, and functions assigned to, the Agricultural Stabilization and Conservation Service (ASCS). The funds comprising this consolidated account in fiscal year 1993 were by direct appropriation, transfers from the Commodity Credit Corporation (CCC) Export Guarantee Loans Program account, the Public Law 480 Loans program account, and various advances and reimbursements from other sources including user fees.

Responsibility for administration of ASCS farm programs in the field is vested in Agricultural Stabilization and Conservation (ASC) farmer committees. ASC State committees consist of three to five farmer members appointed by the Secretary of Agriculture for a period of one year. ASC county and community committees are elected by farmers who are participating or eligible to participate in any ASCS program.

The Kansas City Commodity Office and Kansas City Management and Financial Management Offices have management responsibility for the proper storage, merchandising, and accounting for CCC-owned inventory. They initiate movements of commodities as necessary from local storage points to interior and terminal warehouses. These commodities are eventually sold or otherwise disposed of in accordance with policies established under law.

The principal activities of ASCS include administration and related activities for production adjustment programs, conservation programs, price support programs, and warehouse examination programs.

Major ASCS programs and related work volume for fiscal year 1993 are described below.

Acreage Allotments, Poundage Quotas, and Marketing Quotas. In accordance with the provisions of the Agricultural Adjustment Act of 1938 and its later amendments, allotment and marketing quota programs were in effect for the 1993 crop of most types of tobacco, and poundage quotas were in effect for peanuts. No marketing quota or poundage quota program can be put into effect without the approval of at least two-thirds of the producers voting in a national referendum.

The current program for each crop is as follows:

Peanuts - Poundage quotas were approved for the 1991-95 crops.

Burley tobacco - Marketing quotas on a poundage basis were approved for the 1992-94 crops. Poundage quotas have been in effect since 1971.

Flue-cured tobacco - Marketing quotas on an acreage/poundage basis were approved for the 1992-94 crops. Acreage/poundage quotas for flue-cured tobacco have been in effect since 1965.

Dark air-cured and fire-cured tobacco - Marketing quotas with acreage allotments were approved for the 1991-93 crops.

Sun-cured tobacco - Marketing quotas with acreage allotments were approved for the 1992-94 crops.

Cigar filler and binder tobacco - Marketing quotas with acreage allotments were approved for the 1993-95 crops.

Number of peanut farms with poundage quotas.....	42,363
Number of tobacco farms with allotments.....	381,679

Agricultural Conservation Program. This program is carried out under the authority contained in sections 7 to 16(a), inclusive, 16(f) and 17 of the Soil Conservation and Domestic Allotment Act, as amended. Objectives stated in the Act include (1) restoring and improving soil fertility, (2) reducing erosion caused by wind and water, (3) conserving water on the land, and (4) encouraging energy conservation in farming operations. The program focuses on the highest priority resource problems and the most cost-effective practices for dealing with these problems.

Cost-sharing assistance is made available to farmers and ranchers in the 50 States, Northern Mariana Islands, Guam, Puerto Rico, and the Virgin Islands for carrying out approved soil-building and soil- and water-conserving practices on their farms. Federal assistance generally covers approximately 50 percent of the cost of carrying out the practice, although up to 75 percent is authorized for certain practices. The farmer pays the balance of the cost and often supplies the labor and management necessary to carry out the practice.

Activities in fiscal year 1993 included:

Number of payment applications .....	177,036
Number of long-term agreements .....	19,592
Number of annual agreements .....	274,525

Feed Grain, Wheat, Cotton and Rice Direct Payment Programs. The main objectives of these programs under provisions of the Food, Agriculture, Conservation, and Trade Act of 1990 (FACT) are to provide price and income protection for farmers and to ensure consumers an adequate supply of food and fiber at reasonable prices. The FACT Act of 1990, applicable for crop years 1991 through 1995, continues the payment provisions of earlier legislation but with several major changes. Deficiency payments in the FACT Act of 1990 have specified target prices "frozen" at 1990 levels through 1995. The FACT Act of 1990 continues discretionary authority to make "loan deficiency" payments to producers who, although eligible, agree to forgo obtaining a loan in return for such payments. As with earlier legislation, authority is continued in the FACT Act of 1990 to offer a voluntary paid land diversion program to producers if additional reduction in planted acres is needed. The FACT Act of 1990 continues eligibility for disaster payments to peanut, soybean, and sugar producers in addition to wheat, feed grain, cotton, and rice producers if prevented from planting their intended crops due to natural disaster or if Federal crop insurance payments and other Federal aid is found insufficient to alleviate an economic emergency. Payments due under the various programs may be made in cash, in kind from CCC-owned stocks, or in negotiable certificates redeemable for CCC-owned commodities.

Activities in fiscal year 1993 included:

Number of commodity bases .....	5,325,410
Percent of wheat acreage bases enrolled in program .....	87.0%
Percent of feed-grain acreage bases enrolled in program .....	79.0%
Percent of cotton acreage bases enrolled in program .....	90.3%
Percent of rice acreage bases enrolled in program .....	95.5%
Number of deficiency payments made .....	4,953,674
Dollar value of deficiency payments made in cash.....	\$8,606,680,555



**Loan and Price Support Program.** Support is mandatory for the commodities designated as "basic" in the Agricultural Act of 1949, as amended -- tobacco, peanuts, cotton, wheat, corn, and rice -- and for certain nonbasic commodities -- barley, oats, rye, grain sorghum, honey, sugar, soybeans, other oilseeds (canola, rapeseed, flaxseed, sunflower seed, and mustard seed), seed cotton, milk, and milk products. The Secretary is also authorized, but is not required, to make support available on other nonbasic commodities. Support is available to producers through loans, payments, and purchases. The FACT Act of 1990 continues to make marketing loans available to producers of rice, honey and upland cotton through 1995. Marketing loans have been implemented for the 1993-1995 crops of wheat and feed grains as required by the Omnibus Budget Reconciliation Act of 1990. Marketing loans allow commodity marketing repayments at less than the original loan principal.

Activities under the program include the maintenance and supervision of farmer-held reserves, reinspection of commodities under farm-stored loans, processing of loans and loan repayments, and acquisition of commodities. Loan and price support program activities in fiscal year 1993 included:

<u>Commodity</u>	<u>Number of Loans</u>	<u>Dollar Value of Loans</u>
		(\$000)
Corn.....	129,804	\$2,731,156
Grain Sorghum.....	5,498	73,867
Barley.....	4,451	49,333
Wheat.....	31,835	625,073
Rice.....	17,172	676,198
Cotton.....	71,231	2,238,161
Soybeans.....	43,705	904,429
Minor Oilseeds.....	2,767	10,612
Tobacco.....	N/A	487,545
Sugar.....	322	1,105,407
Other.....	32,279	162,269
Total.....	339,064	\$9,064,050
Reinspection of farm-stored loans.....		361,679
Number of farm-stored loans taken over.....		735
Number of warehouse loans acquired (except cotton).....		410
Number of farm-stored reserve loans.....		5,759
Number of warehouse-stored reserve loans.....		1,523
Number of active reserve loans (farm and warehouse).....		5,429

**Certificate Programs.** The FACT Act of 1990 extends the authority for a number of programs which provide for payments to be made in commodity certificates. These programs include the Market Promotion Program (formally the Targeted Export Assistance Program) and the Export Enhancement programs, designed to maintain and expand export markets for U. S. agricultural commodities and counter unfair trade practices by foreign competitors; the Ethanol Plant Assistance Program to encourage the use of grain in the production of ethanol fuel; and the issuance of marketing certificates to rice producers and cotton warehousemen to increase these commodities' competitiveness in world markets. The Dairy Export Incentive Program (DEIP) was authorized through calendar year 1995 by the Food Security Act of 1985, as amended by the FACT Act of 1990, to provide subsidies to exporters of U. S. products to help them compete with other subsidizing nations.

The Upland Cotton User Marketing Certified Program was authorized through July 31, 1996 to eligible domestic users and exporters of upland cotton. This program was the only active certificate program in fiscal year 1993.

In fiscal year 1993, the total CCC value of certificates issued for all purposes, including the above programs, was \$91,440,362. Commodity certificate activity in fiscal year 1993 included:

Number of Commodity Certificates issued.....	18,619
Number of Commodity Certificates redeemed.....	19,305

**Conservation Reserve Program.** Section 1231 of the Food Security Act of 1985, as amended by the FACT Act of 1990, requires the Secretary of Agriculture to assist in conserving and improving the nation's soil and water resources by removing from production for a decade or more as much as 44 million acres of highly erodible or environmentally sensitive cropland. Additional program benefits are improving wildlife habitat and reducing production of some commodities that have been in surplus. Farmers must reduce the aggregate total of crop acreage bases for the contract period based on the ratio of total cropland acreage and the amount subject to CRP contract.

Under the Conservation Reserve Program, farmers may sign a 10-15 year contract with USDA to take eligible land out of annual crop production and put it into perennial grass, wildlife plantings, windbreaks, or trees. Under the FACT Act of 1990, farmers also have the option to enter a 15-30 year "useful life easement" agreement. In either case, USDA agrees to provide annual rental payments, in cash or commodities, at a rate determined through a bid process, and to share half the cost of establishing permanent cover on the land.

Activities in fiscal year 1993 included:

Number of active Conservation Reserve Program contracts....	375,202
Number of Conservation Reserve Program cost-share payments.....	32,593
Amount of Conservation Reserve Program cost-share payments.	\$32,018,094
Number of Conservation Reserve Program rental payments.....	508,684
Amount of Conservation Reserve Program annual rental payments .....	\$1,652,061,942

**Wool Act Program.** This incentive program, authorized by the National Wool Act of 1954, uses mandatory payments to encourage domestic production of wool and mohair. The FACT Act of 1990 extends the program through December 31, 1995, and establishes payment limitations.

Payments on shorn wool and mohair are based on the percent by which the support level exceeds the average return received by all producers. Individual payments are determined by applying this percentage to the producer's net proceeds from the sale of wool or mohair. This method encourages producers to improve the quality and marketing of their wool or mohair, as a better market price earns a higher support payment.

The law also provides for a payment on sales of unshorn lambs. This payment is made at a rate comparable to the shorn wool payment and is designed to encourage the marketing of lambs without shearing the wool. ASCS county offices receive applications for incentive payments and issue payments to eligible producers.

Number of payments in fiscal year 1993 .....	72,758
Gross Amount of wool and mohair payments.....	\$176,544,365

**Warehouse Examination Program.** The primary objectives of this program are to (1) protect producers and others, including the Commodity Credit Corporation, who store their commodity in public warehouses; (2) ensure the integrity of warehouse receipts as documents of title to be used as collateral for loans, and to facilitate trading in interstate commerce of agricultural commodities; and (3) set and maintain a standard for sound warehouse operations.

Under the provisions of the U.S. Warehouse Act, ASCS licenses public warehousemen storing agricultural products; licenses weighers, graders and samplers of such products; and supervises the operations of those licensed to ensure compliance with the U.S. Warehouse Act.

Applications for licenses are filed by warehousemen on a voluntary basis. Before licensing, the applicant's storage facilities and operations are examined to determine if they qualify for licensing under the terms of the Act and regulations. After the initial license is issued, the Act provides for examinations of the adequacy of warehouse records, the condition and contents of the warehouse, and audits of the financial records by a public or certified accountant. The licensee is authorized to issue Federal warehouse receipts for products deposited for storage, which are vital instruments in the marketing and financing of farm production.

Warehouse examination services for grain and other warehouses, except cotton, began operating on a user fee basis in fiscal year 1982 according to provisions of the Omnibus Reconciliation Act of 1981. Fees, based on storage capacity, are collected from industry users licensed under the Act and non-licensed users who have storage contracts with CCC.

Licenses, contracts, and examinations in fiscal year 1993 included:

U.S. Warehouse Act Activities

Number of licenses in effect.....	1,536
Number of examinations:	
Grain.....	2,586
Cotton.....	240
Other.....	28

Non-Federally Licensed Activities

Number of contracts in effect.....	1,734
Number of examinations:	
Grain.....	1,562

Disaster Assistance The Dire Emergency Supplemental Appropriations and Transfers Act of 1992, P.L. 102-229, enacted December 12, 1991, provided disaster payments for low yield 1990, 1991, or 1992 crops, cost-share assistance for loss of tree seedlings, assistance for emergency livestock feed, and other emergency provisions due to damaging weather or related conditions. The initial portion of the legislation provided for payments to producers with either 1990 or 1991 eligible tree assistance program and program/nonprogram crop losses. During the initial signup period (February 3, 1992 - March 13, 1992), eligible producers on a farm were limited to receiving assistance in only one of the two crop years. The remaining portion of the funding appropriated by P.L. 102-229 was made available by request of the President on September 2, 1992, for disaster payments on 1990, 1991, or 1992 program/nonprogram crop losses. In fiscal year 1992, \$961.4 million in 90/91 crop disaster payments were made in cash from this appropriation. In fiscal year 1993, \$767.3 million in 90-92 crop disaster payments were made in cash from this appropriation.

The fiscal year 1992 Supplemental Appropriations, Transfers, and Rescission Act, P.L. 102-368, enacted September 23, 1992, provided additional funding for eligible program/nonprogram crop losses associated with natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar. An initial amount of appropriated funding was available immediately, with an additional amount of \$100 million made available after an official budget request was submitted by the President. In order to pay claims at the same prorated factor as the first payments on 1990 and 1991 crops (50.04 percent), use of CCC funds was also authorized.



The Supplemental Appropriations Act of 1993, P.L. 103-50, enacted July 2, 1993, authorized payments using the remaining balances from P.L. 102-229 and P.L. 102-368 for 1990, 1991, and 1992 crop quality adjustments and for 1993, 1994, and 1995 crop losses related to Hurricanes Andrew and Iniki and Typhoon Omar. The authority to use CCC funds was also rescinded. Payments resulting from applications for disaster payments which were filed after July 2, 1993 were to be made under a newly calculated proration factor. The remaining portion of the \$100 million funding appropriated by P.L. 102-368 was made available by request of the President on July 4, 1993. These funds were to fund losses from natural disasters such as those resulting from the Midwest flooding.

The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, appropriated funds for 1993 crop losses due to damaging weather and related conditions occurring in 1993. The Act also required the \$100 million released on July 4, 1993 remain available until June 30, 1994, and be used for 1993 crop disaster losses only. An initial amount of appropriated funding was available immediately, with an additional amount made available after an official budget request was submitted by the President. The use of CCC funds was also authorized if extraordinary circumstances existed that warranted further assistance from CCC. The remaining portion of the funding appropriated by P.L. 103-75 was made available by request of the President on August 12, 1993. The use of CCC funds was also authorized on the same day. An application deadline of September 17, 1993 was also established for 1993-1995 crops loss of production claims related to Hurricanes Andrew and Iniki and Typhoon Omar and 1990-1992 crops quality loss claims resulting from other disasters (P.L. 103-50 claims). The Act provides for 1993 crop loss benefits to be paid by June 1994. It also authorizes payments for 1993 crop losses to be made in an amount equal to 100 percent of each eligible claim except for 1993 losses related to Hurricanes Andrew and Iniki and Typhoon Omar.

During the signup period which ends March 4, 1994, payments in an amount of 100 percent of each eligible claim will be made. In fiscal year 1993, \$104.4 million in 1993 crop disaster payments were made from the P.L. 103-75 appropriation.

Disaster payments for 1990, 1991, 1992, and 1993 losses are made in the manner specified in Title XXII of the Food, Agriculture, Conservation and Trade Act of 1990 (the 1990 Act). Under these provisions, program crop losses are made at 65 percent of the target price of the commodity, while nonprogram crop losses are made at 65 percent of the market price of the commodity. Eligibility for assistance is limited to producers with gross revenues of less than \$2 million, and payments to any person cannot exceed \$100,000. The 1990 Act also prohibits duplicate disaster and deficiency payments on the same bushel of lost production and provides that claims in excess of available funding be prorated among eligible producers.

The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, appropriated funds for 1993 crop losses due to damaging weather and related conditions occurring in 1993. Tree Assistance Program payments made under this appropriation are to be determined in accordance with the FACT Act of 1990. The program activities associated with the Disaster Acts in fiscal year 1993 included:

Number of applications for Livestock Feed Programs (LFP).....	55,981
Number of cost-share assistance applications paid under LFP..	9,567
Amount of LFP cost-share assistance payments issued in cash..	\$62,732,676
Number of Emergency Haying and Grazing applications.....	166,782

Number of Commodities reported on applications for disaster credit.....	589,207
Number of disaster-related farm visits for disaster credit...	104,098
Number of disaster appraisals for Disaster Assistance Program Payments and non-program crops.....	323,945
Number of certifications of Crop Insurance for Disaster Assistance.....	705,278
Amount of 1990/92 Crop Disaster Payments issued in cash.....	\$767,257,228
Amount of 1993 Crop Disaster Payments issued in cash.....	\$104,391,880
Number of applications for the Tree Assistance Program.....	3,697
Amount of cost-share payments for the Tree Assistance Program issued in cash.....	\$15,233,392

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Agricultural Conservation Program (Including Transfers of Funds)

- For necessary expenses to carry into effect the program authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act approved February 29, 1936, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590p(f), and 590q), and sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1504, 1506-1508, and 1510), and including not to exceed \$15,000 for the preparation and display of exhibits, including such displays at State, interstate, and international fairs within the United States, [\$194,650,000]
- 1 \$100,000,000, to remain available until expended (16 U.S.C. 590o), for agreements, excluding administration but including technical assistance and related expenses (16 U.S.C. 590o), except that no participant in the Agricultural Conservation Program shall receive more than \$3,500 per year, except where the participants from two or more farms or ranches join to carry out approved practices designed to conserve or improve the agricultural resources of the community, or where a participant has a long-term agreement, in which case the total payment shall not exceed the annual payment limitation multiplied by the number of years of the agreement: Provided, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetlands Types 3 (III) through 20 (XX) in United States Department of the Interior, Fish and Wildlife Circular 39, Wetlands of the United States, 1956: Provided further, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other conservation materials, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out approved farming practices as authorized by the Soil Conservation and Domestic Allotment Act, as amended, as determined and recommended by the county committees, approved by the State committees and the Secretary, under programs provided for herein: Provided further, That such assistance will not be used for carrying out measures and practices that are primarily production-oriented or that have little or no conservation or pollution abatement benefits: Provided further, That [not to exceed 5 per centum of the allocation for the current year's program for any county may, on the recommendation of such county committee and approval of the State committee, be withheld and allotted to the Soil Conservation Service for services of its technicians in formulating and carrying out the Agricultural Conservation Program in the participating counties, and shall not be utilized by the Soil Conservation Service for any purpose other than technical and other assistance in such counties, and in addition,] on the recommendation of such county committee and approval of the State committee, not to exceed 1 per centum may be made available to any
  - 2 other Federal, State, or local public agency [for the same purpose and under the same conditions] for technical assistance and other services: Provided further, That for the current year's program \$2,500,000 shall be available for technical assistance in formulating and carrying out rural environmental practices: Provided further, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the
  - 3
  - 4



current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities" approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18 U.S.C. 1913 to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels: Provided further, That not to exceed

5     [\$18,500,000] \$15,000,000 of the amount appropriated shall be used for water quality payments and practices in the same manner as permitted under the program for water quality authorized in chapter 2 of subtitle D of title XII of the Food Security Act of 1985, as amended (16 U.S.C. 3838 et seq.).

The first and fifth changes delete the amount approved for fiscal year 1994 and insert the amount requested for fiscal year 1995.

The second through fourth changes in language delete the authority for expenditures for Soil Conservation Service technical assistance using funds appropriated to the ACP. Beginning in fiscal year 1995, it is proposed that the Soil Conservation Service technical assistance formerly included in this account be appropriated directly to the Soil Conservation Service.

AGRICULTURAL CONSERVATION PROGRAM

Appropriations Act, 1994 .....	\$194,650,000
Budget Estimate, 1995 .....	<u>100,000,000</u>
Decrease in Appropriations .....	<u>-94,650,000</u>

## Adjustment in 1994:

Appropriation Act, 1994 .....	194,650,000	
Transfer to SCS for technical assistance .....	<u>-9,734,000</u>	
Adjusted base for 1994 .....		184,916,000
Budget Estimate, 1995 .....		<u>100,000,000</u>
Decrease from adjusted 1994 .....		<u>-84,916,000</u>

SUMMARY OF INCREASES AND DECREASES  
(On basis of adjusted appropriation)

<u>Item of Change</u>	1994 <u>Estimated</u>	Other <u>Changes</u>	1995 <u>Estimated</u>
Cost-sharing to farmers .	\$182,970,000	-\$83,970,000	\$99,000,000
Technical assistance (FS)	<u>1,946,000</u>	<u>-946,000</u>	<u>1,000,000</u>
Total Available .....	<u>184,916,000</u>	<u>-84,916,000</u>	<u>100,000,000</u>

PROJECT STATEMENT  
(On basis of adjusted appropriation)

Project	1993 Actual	1994 Estimated	Decrease	1995 Estimated
Cost-sharing to farmers .....	\$182,769,000	\$182,970,000	-\$83,970,000 (1)	\$99,000,000
Technical assistance (FS)	<u>1,944,000</u>	<u>1,946,000</u>	<u>-946,000</u> (2)	<u>1,000,000</u>
Total available or estimate ...	184,713,000	184,916,000	-84,916,000	100,000,000
Transfer to SCS for technical assistance ....	<u>9,722,000</u>	<u>9,734,000</u>		
Total, Appropriation .	194,435,000	194,650,000		

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.

PROJECT STATEMENT  
(On basis of available funds)

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Cost-sharing to farmers .....	\$180,448,092	\$225,872,000	-\$126,872,000	\$99,000,000
Technical assistance (FS) ..	<u>1,959,950</u>	<u>1,946,000</u>	<u>-946,000</u>	<u>1,000,000</u>
Subtotal .....	182,408,042	227,818,000	-127,818,000	100,000,000
Unobligated balance brought forward from prior years .	-40,246,454	-42,902,000	+42,902,000	--
Unobligated balance carried forward to next year .....	<u>42,902,000</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total available or estimate .....	185,063,588	184,916,000	-84,916,000	100,000,000
Transfer to SCS for technical assistance .....	<u>9,371,412</u>	<u>9,734,000</u>		
Total, Appropriation .....	194,435,000	194,650,000		

EXPLANATION OF PROGRAM

The Agricultural Conservation Program (ACP) is authorized in sections 7 to 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act of 1936, as amended and supplemented (16 U.S.C. 590g-590o, 590p(a), 590(f), and 590q), and sections 1001-1004, 1006-1008, and 1010 of the Agricultural Act of 1970, as added by the Agriculture and Consumer Protection Act of 1973 (16 U.S.C. 1501-1504, 1506-1508, and 1510). The purpose of the Agricultural Conservation Program is to provide financial assistance to agricultural producers to help solve a wide range of agricultural conservation and environmental problems that, if not addressed, would reduce the productive capacity of the nation's land and water resources or cause degradation of environmental quality. Program activities include prevention of soil loss, conservation of scarce water supplies, improvement of water quality, conservation of forest and wildlife resources, and pollution abatement. Technical assistance is provided by the Forest Service (FS) and by the Soil Conservation Service (SCS). However, beginning in fiscal year 1995, it is proposed that the SCS technical assistance formerly included in this account be appropriated directly to SCS.

In contrast to the Conservation Reserve Program, which removes highly erodible and other environmentally sensitive cropland from production, the ACP makes available a wide variety of practices to address the soil and water conservation needs as well as water quality and other environmental concerns on land that remains in production. In addition, assistance is offered to establish or improve permanent vegetative cover, including tree planting, and to install animal waste handling systems.

The ACP is administered by ASCS through the farmer-elected county committee system. The program is a joint effort by Government and landowners to restore and protect basic land and water resources. Objectives include helping to ensure a continuous, adequate supply of food and fiber; improving water quality; facilitating resource management systems; and achieving national priorities reflected in the National Environmental Policy Act of 1969, the 1988 National Program for Soil and Water Conservation, and related Resources Conservation Act appraisal updates.



1994 Program

1. Program Direction. The 1994 ACP will be directed toward specific enduring practices to solve the most critical conservation problems and to meet water quality goals. Treatment of farmland, rangeland, and pastureland eroding at greater than the soil loss tolerance (T) will be of primary concern.

- Annual Agreements. \$157.7 million will be allocated to the States for cost-sharing of annual agreements.
- Long-Term Agreements. \$20 million will be allocated to the States specifically for this purpose. States also have the option of using annual agreement funds for long-term agreements.
- Water Quality Incentive Projects. The 1994 Appropriation Act provides that not to exceed \$18.5 million will be available for funding incentive practices in specific water quality project areas to meet water quality standards or goals in the manner permitted under Section 1439 of the 1990 FACT Act. \$15.0 million will be allocated for this purpose in 1994. Water quality incentive projects will be selected from proposals submitted by the States. Priority will be given to applications from areas which have been designated by EPA and State water quality agencies as areas where nonpoint source pollution contributes to the degradation of or threatens the quality of surface or ground water.
- Method of Allocation. Distribution to the States for annual agreements in fiscal year 1994 was made according to their conservation needs as determined by the Secretary, except for an adjustment of up to 5 percent, based on the rate of funds usage.
- Technical Assistance. \$1.946 million is available to the Forest Service for technical assistance relating to forestry practices.

2. Program Development. State and county programs are developed through a process whereby county committees submit recommendations through the State committee to the Secretary. Practices available to a county committee include all those previously approved by the Secretary plus any other practice that a county committee considers necessary to solve a local conservation problem and that is approved by the State committee and the Secretary or his designee.

3. Practices. The 1994 ACP will encourage cost effective practices such as vegetative cover, terraces, and sod waterways, which result in significant conservation of soil and water, improved water quality, or other improvements in the environment.

Practices that are not enduring or do not provide enduring benefits will not be a part of the program. Other practices excluded from the national program include practices that are primarily production oriented.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$83,970,000 for cost-sharing to agricultural producers (\$182,970,000 available in fiscal year 1994).

Need for Change. The fiscal year 1995 ACP will emphasize soil conservation on farmland, rangeland, and pastureland and improvement and protection of the quality of surface and ground water in line with the

existing National Program for Soil and Water Conservation. The requested funding level of \$100 million will address priority soil and water conservation measures.

At the requested level of \$100 million, conservation practices on a total of 4.9 million acres would prevent approximately 13.6 million tons of soil erosion and save 283,000 acre-feet of water. In addition, other conservation needs such as water quality incentive projects, forest and rangeland improvement, and wildlife habitat preservation will be addressed, all at reduced levels.

Nature of Change. The ACP provides funding for financial assistance to agricultural producers to help solve a wide range of agricultural conservation and environmental problems. In addition, program funds are used to reimburse Forest Service for technical assistance.

The requested level of \$100 million would fund the following:

- Annual Agreements. Approximately \$74 million will be allocated to States for annual practices with lasting conservation benefits, a decrease of \$83.7 million from the 1994 level.
- Long-Term Agreements. \$10 million will be available for allocations for long-term cost-share agreements, a decrease of \$10 million.
- Water Quality Incentive Projects. \$15 million, the same level planned for allocation in fiscal year 1994, is proposed for incentive projects to continue the program begun in 1992 that is comparable to the water quality program authorized under Section 1439 of the Food, Agriculture, Conservation, and Trade Act of 1990. Farmers will receive incentive payments over a 3- to 5-year period for implementing a water quality protection plan approved by the Secretary.

- (2) A decrease of \$946,000 for Forest Service technical assistance due to a lower level of ACP funding in fiscal year 1995 (\$1,946,000 available in fiscal year 1994).

The following tables show (a) outlays for fiscal year 1993 and (b) geographic breakdown of obligations for fiscal years 1993-1995.

Agricultural Conservation Program  
Fiscal Year 1993 Outlays by State

State	Outlays
Alabama	5,522,186
Alaska	149,496
Arizona	1,221,192
Arkansas	5,343,596
California	5,410,002
Colorado	4,096,119
Connecticut	558,033
Delaware	486,313
Florida	3,950,498
Georgia	5,299,146
Hawaii	421,915
Idaho	3,310,517
Illinois	4,760,638
Indiana	3,798,119
Iowa	4,307,710
Kansas	3,600,633
Kentucky	4,708,061
Louisiana	4,113,747
Maine	2,602,627
Maryland	1,260,368
Massachusetts	717,296
Michigan	3,754,567
Minnesota	5,265,278
Mississippi	5,603,837
Missouri	5,523,184
Montana	3,632,513
Nebraska	4,109,542
Nevada	751,791
New Hampshire	1,040,257
New Jersey	578,074
New Mexico	2,124,000
New York	4,716,628
North Carolina	3,667,865
North Dakota	2,604,851
Ohio	4,802,647
Oklahoma	3,548,039
Oregon	3,751,796
Pennsylvania	3,857,086
Puerto Rico	578,976
Rhode Island	149,423
South Carolina	2,460,512
South Dakota	2,382,061
Tennessee	3,778,352
Texas	16,867,801
Utah	1,925,234
Vermont	1,760,653
Virginia	3,149,412
Virgin Islands	23,983
Washington	4,296,992
West Virginia	2,190,416
Wisconsin	4,523,506
Wyoming	1,634,006
Undistributed	5,610
ASCS, Subtotal	170,697,104
SCS Technical Assistance	9,371,413
FS Technical Assistance	1,863,636
<b>TOTAL</b>	<b>181,932,153</b>



Agricultural Conservation Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995

State	1993 Actual	1994 Estimated	1995 Estimated
Alabama	5,506,541	7,112,861	2,981,241
Alaska	244,840	247,000	133,573
American Samoa	-300	0	0
Arizona	1,465,580	4,797,946	941,174
Arkansas	4,821,486	5,387,009	2,842,017
California	5,688,726	6,389,072	2,556,377
Colorado	4,323,968	4,558,621	2,104,284
Connecticut	579,374	926,961	185,461
Delaware	569,449	687,587	162,342
Florida	3,407,292	4,657,251	1,936,291
Georgia	4,885,665	6,367,948	3,016,175
Guam	-6,202	78,292	0
Hawaii	514,578	1,220,686	267,145
Idaho	3,690,882	6,897,951	1,714,868
Illinois	6,365,290	5,165,081	3,572,557
Indiana	3,501,892	4,045,049	1,897,760
Iowa	6,142,011	7,453,934	3,743,633
Kansas	4,961,262	7,196,920	2,640,630
Kentucky	4,426,659	4,516,574	2,353,449
Louisiana	3,516,631	4,229,154	1,783,196
Maine	2,449,466	2,608,012	1,368,093
Maryland	1,024,166	1,825,683	732,081
Massachusetts	658,820	572,062	257,384
Michigan	4,907,131	5,832,196	2,775,230
Minnesota	5,558,305	8,580,511	3,418,434
Mississippi	5,485,569	4,970,799	2,583,091
Missouri	7,575,877	8,604,283	4,022,594
Montana	4,279,939	5,471,261	2,504,489
Nebraska	4,843,437	5,733,346	2,725,911
Nevada	823,083	778,348	402,259
New Hampshire	1,122,567	857,287	306,190
New Jersey	686,941	708,355	380,169
New Mexico	2,284,498	2,815,098	1,129,717
New York	5,081,073	5,531,733	2,551,753
North Carolina	4,056,767	4,559,327	2,068,836
North Dakota	2,932,133	5,423,717	2,129,971
N. Mariana Isl.	-195,983	85,061	0
Ohio	4,483,737	4,913,163	2,279,984
Oklahoma	3,936,662	4,620,078	1,931,667
Oregon	4,161,029	5,503,333	2,218,335
Pennsylvania	4,084,152	5,327,303	2,330,844
Puerto Rico	509,054	555,528	254,816
Rhode Island	110,642	272,375	30,824
South Carolina	2,337,293	3,209,314	1,601,332
South Dakota	2,963,787	3,761,079	1,747,748
Tennessee	3,647,297	3,807,015	1,751,858
Texas	16,037,412	19,174,349	8,232,190
Utah	2,341,369	2,606,207	1,419,467
Vermont	1,646,959	1,546,196	613,407
Virginia	3,093,992	3,693,361	1,715,896
Virgin Islands	47,365	24,144	10,789
Washington	3,644,804	6,506,971	2,309,267
West Virginia	2,210,323	1,573,888	1,105,057
Wisconsin	4,834,324	6,646,057	2,547,129
Wyoming	1,700,208	1,859,818	962,237
Undistributed	453,270	3,378,845	1,748,775
ASCS Subtotal	180,448,092	225,872,000	99,000,000
FS Technical Assistance	1,959,950	1,946,000	1,000,000
SCS Technical Assistance	9,371,412	9,734,000	
Total, Available or Estimate	\$191,779,454	\$237,552,000	\$100,000,000

## AGRICULTURAL CONSERVATION PROGRAM

## STATUS OF PROGRAM

Current Activities: Cost sharing is authorized in agricultural counties in all 50 States, American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands. In line with the National Program for Soil and Water Conservation, the fiscal year 1993 ACP emphasized:

- Soil Conservation on farmland, rangeland, and pastureland eroding at an annual rate in excess of the soil loss tolerance (T) level. It is estimated that 4.3 billion tons of soil erode annually at a rate that exceeds "T".
- Water Quality improvement and protection for both surface and ground water. Special emphasis is placed on eliminating or preventing pollution from agricultural nonpoint sources.
- Other Objectives such as water conservation, forest and rangeland improvement, and wildlife habitat preservation. In meeting these objectives, some additional benefits in other conservation categories are achieved.

Thirty separately identified practices were authorized in the National program and 21 at the local level to assist in solving critical soil and water conservation problems.

About 115,000 farmers, ranchers, and woodland owners participated in the program in fiscal year 1993 by carrying out practices that help solve soil and water conservation problems identified in State and county ACP plans.

Selected Examples of Recent Progress:

- Annual Agreements. During fiscal year 1993, \$153,400,000 was allocated to States for annual practices with lasting conservation benefits.
- Long-term Agreements. To involve more farmers in the multi-year planning approach to conservation problem solving, \$20 million was allocated for 3- to 10-year agreements.
- Water Quality Incentive Projects. Water Quality Incentive Projects (WQIP's) were initiated under ACP in FY 1993 using the program framework outlined in the 1990 FACT Act. These projects provide a targeted approach to assist landowners in enhancing water quality by obtaining a source reduction of agricultural pollutants. Projects are selected by the State conservation review group which includes representatives from ASCS, SCS, ES and State water quality agencies.

WQIP's provide incentive payments so producers can modify management systems to reduce agricultural nonpoint source pollution while maintaining the economic viability of the farm operation. Incentive payments are made to improve pesticide and nutrient management, reduce excess animal waste application, and improve irrigation water management and other management-oriented practices.

ASCS State and county offices administer the projects with assistance from Soil Conservation Service and Cooperative Extension Service. These agencies work closely with the Environmental Protection Agency, the U.S. Geological Survey and State water quality agencies to ensure that the WQIP's are implemented in the most efficient and effective manner to protect the nation's water resources.

- Other Water Quality Projects. In fiscal year 1993, a total of \$5 million was allocated from ACP for various water quality projects other than WQIP. \$1.1 million was provided for ACP water quality special projects in 2 States, \$3.0 million for nonpoint source hydrological unit area projects in 29 States, and \$900 thousand for USDA national demonstration projects in 4 States. These allocations relate to projects initiated in 1990 and 1991. These separate water quality projects protect surface and ground water from agricultural and other nonpoint sources of contamination.

The tables and graphs that follow show:

- (a) the extent to which practices were performed in 1993 and the period 1936-1993,
- (b) percent of cost-shares by primary purpose,
- (c) ACP allocations for fiscal year 1993,
- (d) ACP accomplishments for fiscal years 1992 and 1993,
- (e) the number of participating farms and average payment per farm in program years 1983-1993, when a farm is defined as a place that sells or could sell \$1,000 of agricultural products during the year.
- (f) total ACP outlays during fiscal years 1983-1993.



## Agricultural Conservation Program

## Practices Performed in 1993 and Total Accomplishments 1936-1993

Practice	Unit	Extent under 1993 program	Total accomplishments 1936-1993
Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses .....	1,000 structures	14	2,688
Agricultural waste control and diversion facilities .	1,000 structures	4	61 1/
Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution .....	1,000 acres	544	44,089
Stripcropping systems established to reduce wind or water erosion or environmental enhancement	1,000 acres	81	116,772
Trees or shrubs planted for forestry purposes, erosion control or environmental enhancement .....	1,000 acres	289	10,280
Forest tree stands improved for forestry purposes or environmental enhancement	1,000 acres	37	5,446
Wildlife conservation .....	1,000 acres	36	15,143 2/
Sediment pollution-abatement structures or runoff control measures ..	1,000 acres	338	23,678 1/
Conservation tillage including reduced tillage and no-till .....	1,000 acres	602	9,050 3/

1/ From 1970.

2/ From 1962 with certain data estimated.

3/ From 1973.

Agricultural Conservation Program  
Percent of Cost-shares by Primary Purpose

Year	Erosion Control	Water Conservation	Water Quality	Other	Total
1984	74.7	13.2	4.8	7.3	100.0
1985	75.3	12.4	6.1	6.2	100.0
1986	73.8	11.9	7.3	7.0	100.0
1987	72.8	11.9	7.5	7.9	100.0
1988	71.1	14.7	7.2	7.0	100.0
1989	67.7	15.3	9.4	7.6	100.0
1990	64.7	14.2	13.0	8.1	100.0
1991	61.7	13.0	16.9	8.4	100.0
1992	58.9	12.6	20.3	8.2	100.0
1993	55.6	13.4	22.5	8.5	100.0

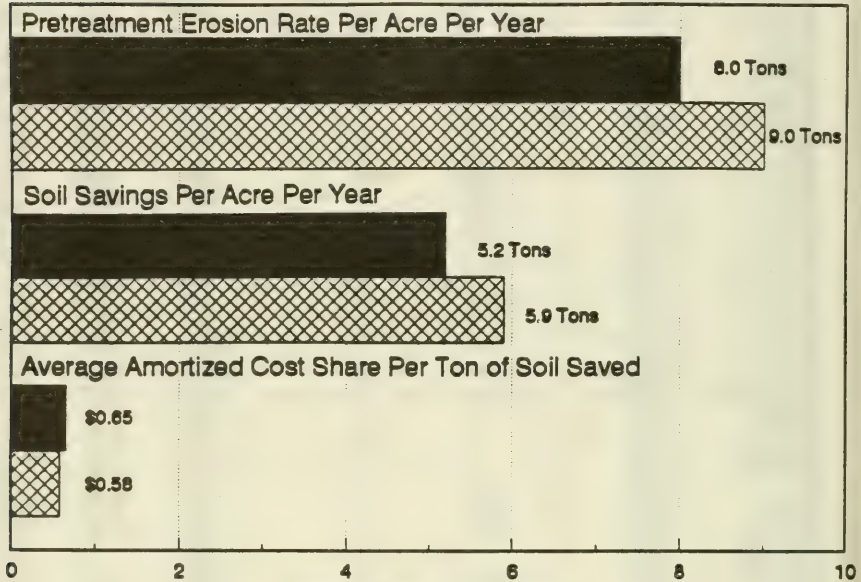
**Agricultural Conservation Program  
FY 1993 Allocations by State**

STATE	REGULAR ANNUALS	SPECIAL WATER QUALITY	HYDROLOGIC UNITS	DEMONSTRATION PROJECTS	NAVAL STORES	REGULAR LONG-TERM AGREEMENTS	WATER QUALITY INCENTIVE PROJECTS	FY 1993 ALLOCATIONS
ALABAMA	4,344,000	0	250,000	0		573,000	842,000	5,708,000
ALASKA	224,000	0	0	0		30,000	0	254,000
AMERICAN SAMOA	8,000	0	0	0		0	0	8,000
ARIZONA	1,526,000	0	0	0		224,000	200,000	2,050,000
ARKANSAS	3,361,000	0	66,000	105,000		602,000	472,000	6,026,000
CALIFORNIA	4,316,000	0	81,000	0		571,000	480,000	5,367,000
COLORADO	3,567,000	0	66,000	0		481,000	446,000	4,572,000
CONNECTICUT	216,000	0	169,000	0		41,000	130,000	672,000
DELAWARE	162,000	0	0	0		21,000	267,000	470,000
FLORIDA	3,306,000	0	46,000	0		434,000	270,000	4,056,000
GEORGIA	4,405,000	0	76,000	0	50,000	566,000	366,000	5,517,000
GUAM	6,000	0	0	0		0	0	6,000
HAWAII	463,000	0	12,000	0		64,000	0	539,000
IDAHO	2,945,000	0	176,000	662,000		360,000	542,000	4,635,000
ILLINOIS	5,533,000	0	13,000	0		706,000	260,000	6,532,000
INDIANA	3,002,000	0	17,000	0		365,000	235,000	3,639,000
IOWA	5,315,000	0	147,000	66,000		365,000	364,000	6,914,000
KANSAS	4,563,000	0	15,000	0		602,000	401,000	5,561,000
KENTUCKY	3,527,000	0	143,000	0		465,000	0	4,455,000
LOUISIANA	3,060,000	0	0	0		366,000	364,000	3,840,000
MAINE	2,107,000	0	0	0		273,000	166,000	2,536,000
MARYLAND	706,000	0	0	0		62,000	466,000	1,266,000
MASSACHUSETTS	436,000	0	14,000	0		67,000	0	509,000
MICHIGAN	4,076,000	0	7,000	0		527,000	450,000	5,062,000
MINNESOTA	5,312,000	0	0	0		735,000	557,000	6,604,000
MISSISSIPPI	4,422,000	0	0	0		570,000	361,000	5,373,000
MISSOURI	6,446,000	0	66,000	0		637,000	667,000	7,841,000
MONTANA	4,062,000	0	0	0		526,000	166,000	4,790,000
NEBRASKA	3,603,000	0	36,000	0		461,000	666,000	4,865,000
NEVADA	667,000	0	0	0		66,000	0	776,000
NEW HAMPSHIRE	616,000	0	116,000	0		66,000	322,000	1,025,000
NEW JERSEY	479,000	0	0	0		63,000	0	542,000
NEW MEXICO	1,914,000	0	0	0		250,000	166,000	2,363,000
NEW YORK	2,946,000	400,000	0	106,000		506,000	330,000	3,683,000
NORTH CAROLINA	3,361,000	0	0	0		467,000	366,000	4,448,000
NORTH DAKOTA	3,566,000	0	0	0		462,000	416,000	3,912,000
N. MARIANA ISL.	8,000	0	0	0		0	0	8,000
OHIO	3,437,000	0	66,000	0		450,000	556,000	4,515,000
OKLAHOMA	3,333,000	0	16,000	0		434,000	460,000	4,243,000
OREGON	3,127,000	0	510,000	0		410,000	527,000	4,574,000
PENNSYLVANIA	3,753,000	0	137,000	0		466,000	466,000	4,834,000
PUERTO RICO	433,000	0	0	0		66,000	0	466,000
RHODE ISLAND	64,000	0	0	0		7,000	0	61,000
SOUTH CAROLINA	1,863,000	0	0	0		262,000	0	2,255,000
SOUTH DAKOTA	2,506,000	0	102,000	0		322,000	166,000	3,127,000
TENNESSEE	2,861,000	0	345,000	0		361,000	66,000	3,713,000
TEXAS	14,121,000	0	364,000	0		1,666,000	166,000	16,452,000
UTAH	1,631,000	0	66,000	0		213,000	361,000	2,254,000
VERMONT	646,000	700,000	0	0		122,000	136,000	1,903,000
VIRGINIA	2,756,000	0	30,000	0		363,000	479,000	3,618,000
VIRGIN ISLANDS	18,000	0	0	0		3,000	0	22,000
WASHINGTON	3,677,000	0	32,000	0		513,000	202,000	4,624,000
WEST VIRGINIA	1,707,000	0	0	0		217,000	335,000	2,259,000
WISCONSIN	4,227,000	0	0	0		560,000	577,000	5,364,000
WYOMING	1,563,000	0	0	0		201,000	0	1,764,000
<b>TOTAL</b>	<b>183,400,000</b>	<b>1,100,000</b>	<b>3,000,000</b>	<b>800,000</b>	<b>60,000</b>	<b>20,000,000</b>	<b>15,000,000</b>	<b>183,450,000</b>

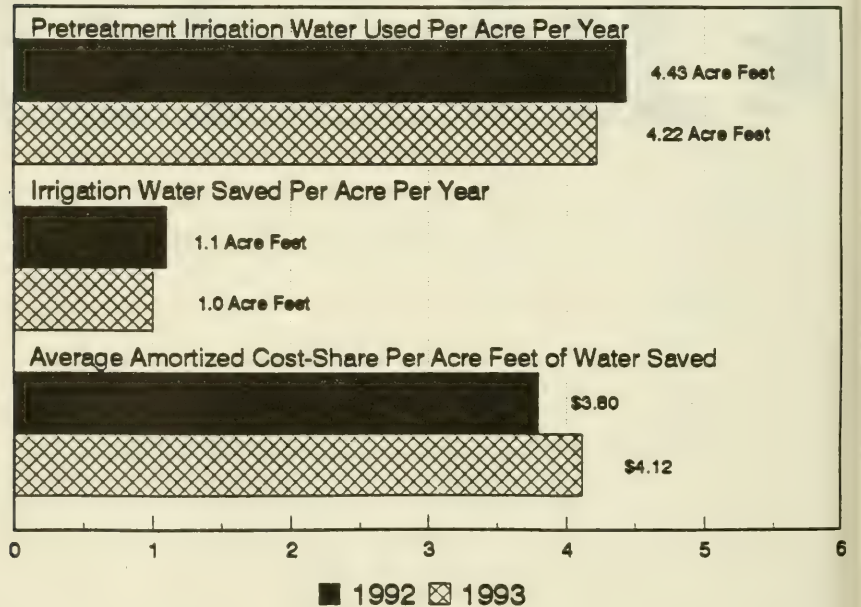


**AGRICULTURAL CONSERVATION PROGRAM**  
**Conservation Reporting and Evaluation System**  
**1992 and 1993 Summary Results**

**Soil Conservation**

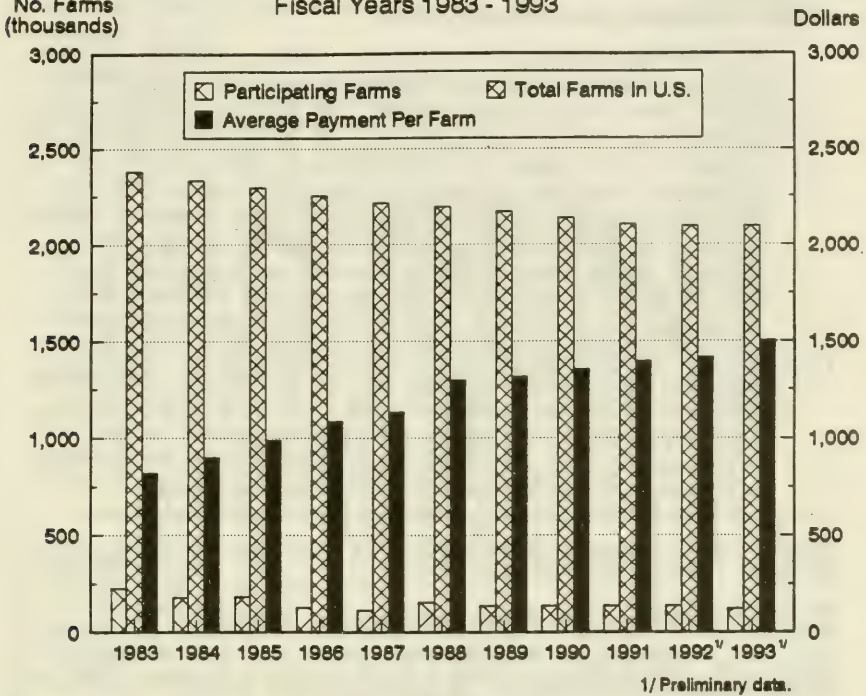


**Water Conservation**



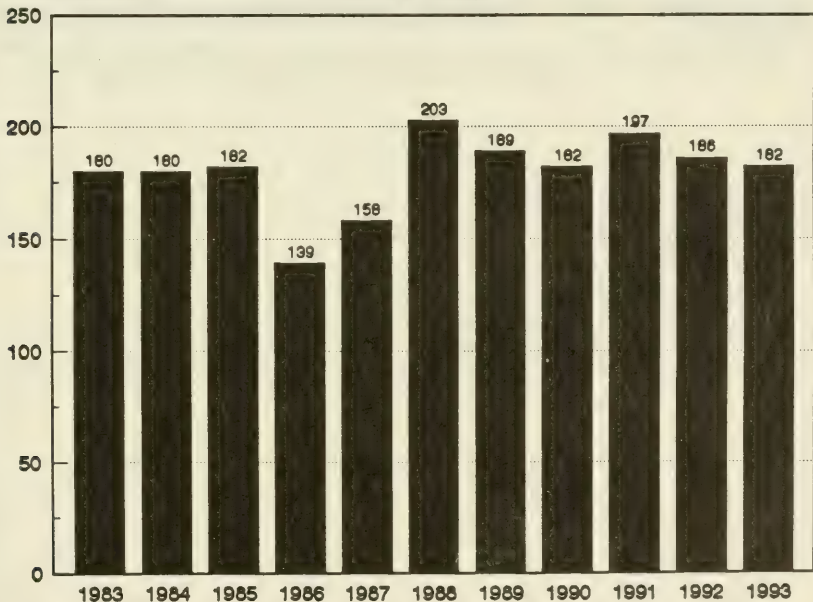
# AGRICULTURAL CONSERVATION PROGRAM (ACP)

Total U.S. Farms-Number Participating Farms-Average Payment Per Farm  
Fiscal Years 1983 - 1993



Dollars (millions)

Total ACP Outlays



## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Colorado River Basin Salinity Control Program

For necessary expenses for carrying out a voluntary cooperative salinity control program pursuant to section 202(c) of title II of the Colorado River Basin Salinity Control Act, as amended (43 U.S.C. 1592(c)), to be used to reduce salinity in the Colorado River and to enhance the supply and quality of water available for use in the United States and the  
 1 Republic of Mexico, [\$13,783,000] \$8,394,000, to remain available until  
 2 expended (7 U.S.C. 2209b), to be used for [investigations and surveys, for technical assistance in developing conservation practices and in the preparation of salinity control plans, for] the establishment of on-farm irrigation management systems, including related lateral improvement measures, for making cost-share payments to agricultural landowners and operators, Indian tribes, irrigation districts and associations, local governmental and nongovernmental entities, and other landowners to aid them in carrying out approved conservation practices as determined and recommended by the county ASC committees, approved by the State ASC  
 3 committees or their successors, and the Secretary, and for associated  
 4,5,6 costs of program planning[,] and information and education[, and program monitoring and evaluation: Provided, That the Soil Conservation Service shall provide technical assistance and the Agricultural Stabilization and Conservation Service shall provide administrative services for the program, including but not limited to, the negotiation and administration  
 7 of agreements and the disbursement of payments]: Provided [further], That such program shall be coordinated with the regular Agricultural Conservation Program and with research programs of other agencies.

The first change deletes the amount approved for fiscal year 1994 and inserts the amount requested for fiscal year 1995.

The second change and fourth through seventh changes in language delete authority for expenditures for Soil Conservation Service technical assistance using funds appropriated to CRSC. Beginning in fiscal year 1995, the budget proposes that funding for SCS technical assistance formerly included in this account be appropriated directly to the Soil Conservation Service.

The third change reflects the Secretary's proposed reorganization of the Department.



COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

Appropriations Act, 1994.....	\$13,783,000
Budget Estimate, 1995.....	<u>8,394,000</u>
Decrease in Appropriation.....	<u>-5,389,000</u>

## Adjustment in 1994:

Appropriation Act, 1994.....	\$13,783,000	
Transfer to SCS for technical assistance.....	<u>-5,010,000</u>	
Adjusted base for 1994.....		8,773,000
Budget Estimate, 1995.....		<u>8,394,000</u>
Decrease from adjusted 1994.....		<u>-379,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Other Changes</u>	<u>1995 Estimated</u>
Cost-sharing to landowners and others.....	\$8,154,600	-\$260,600	\$7,894,000
Extension Service technical assistance.....	<u>618,400</u>	<u>-118,400</u>	<u>500,000</u>
Total available .....	<u>8,773,000</u>	<u>-379,000</u>	<u>8,394,000</u>

PROJECT STATEMENT

(On basis of adjusted appropriation)

Project	1993 Actual	1994 Estimated	Decrease	1995 Estimated
Cost-sharing to landowners and others	\$8,154,300	\$8,154,600	-\$260,600 (1)	\$7,894,000
Extension Service technical assistance	<u>618,400</u>	<u>618,400</u>	<u>-118,400 (2)</u>	<u>500,000</u>
Total available or estimate .....	8,772,700	8,773,000	-379,000	8,394,000
Transfer to SCS for technical assistance	<u>5,010,300</u>	<u>5,010,000</u>		
Total, Appropriation .	13,783,000	13,783,000		

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.

**PROJECT STATEMENT**  
(On basis of available funds)

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Cost-sharing to landowners and others .....	\$8,901,639	\$9,058,910	-\$1,164,910	\$7,894,000
Extension Service technical assistance	<u>618,400</u>	<u>618,400</u>	<u>-118,400</u>	<u>500,000</u>
Subtotal .....	9,520,039	9,677,310	-1,283,310	8,394,000
Unobligated balance brought forward from prior years ...	-1,651,649	-904,310	+904,310	--
Unobligated balance carried forward to next year .....	<u>904,310</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total available or estimate .....	8,772,700	8,773,000	-379,000	8,394,000
Transfer to SCS for technical assistance	<u>5,010,300</u>	<u>5,010,000</u>		
Total, Appropriation	13,783,000	13,783,000		

**EXPLANATION OF PROGRAM**

The Colorado River Basin Salinity Control Program (CRSC) is authorized by section 202(c) of Title II of the Colorado River Basin Salinity Control Act of 1974 (43 U.S.C. 1592c), as amended, and is in compliance with Section 310, International Pollution Abatement, of the Federal Water Pollution Control Act Amendments of 1972, P.L. 92-500, 86 Stat. 816. Salinity problems in the Colorado River Basin are a critical concern to the seven Basin States -- Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming -- and to the Republic of Mexico. The purpose of the CRSC is to reduce the salt content of the upper Colorado River Basin and support the Nation's commitment to the 1973 International Boundary and Water Commission Agreement concerning the quality of water delivered downstream to users in the U.S. and Mexico.

Colorado River waters are apportioned by the Upper Basin States (Colorado, New Mexico, Utah, and Wyoming) and Lower Basin States (Arizona, California, and Nevada) in accordance with the provisions of Colorado River Compact of 1922. The Compact defines the minimum quantity of Colorado River waters to be delivered annually to Mexico and provides the format for the division of the Colorado River waters by the Upper and Lower Basin States to meet the terms of the Compact.

The objectives of the program are to provide financial and technical assistance to:

- Identify salt source areas in the Colorado River Basin (SCS).
- Develop project plans for conservation practices to reduce salt loads in the Colorado River (SCS).
- Install conservation practices through cost-sharing assistance (ASCS).
- Carry out research, education, and demonstration activities (ES, ARS, and CSRS).
- Carry out monitoring and evaluation activities (SCS).

The U.S. Department of the Interior (DOI) has estimated that irrigated agriculture contributes about 37 percent of the total salt load to the Colorado River above the Imperial Dam. Generally, on-farm irrigation and water distribution systems, especially in the Upper Basin, are not efficient and have a

high level of surface runoff, excessive deep percolation, and high amounts of seepage from irrigation canals and laterals. Salt loading occurs as seepage and deep percolation leach salts from the soil and underlying geologic formations into the river. Salt concentrations are caused by evaporation, evapotranspiration of irrigated crops, and export of water for other uses leaving salt in the soil and remaining water.

The Colorado River serves as the primary source of water for parts of the seven Basin States and is used and reused for crop irrigation, hydro-electric power generation, and municipal and industrial purposes. Increases in the salinity of the water cause considerable economic losses. Salinity build-up in the soil root zones reduces or eliminates economic returns from growing agricultural products. Excessive salinity in groundwater, lakes, streams, and rivers reduces or precludes the use of this water by man or wildlife.

The CRSC Program applies to lands that are in an identified salt source area and are owned or controlled by private individuals, Indian tribes, irrigation districts or companies, or State or local governments. Landowners or operators are eligible to participate in the CRSC Program if all of the following apply:

- Their lands or activities contribute to the project area's salt loading of the Colorado River.
- Their lands or activities in a project area are designated as critical areas or salt sources;
- The conservation district approves the salinity control plan covering the critical areas and salt sources; and
- The participant meets any minimum acreage requirements established by the county ASC committee.

County ASC committees may enter into CRSC contracts with individuals or entities on eligible land. Under these contracts, ASCS agrees to share with the participant the cost of establishing necessary salinity reduction practices. In return, a participant must agree to carry out a cost-effective salinity control plan developed for the participant's land. The salinity control Project Implementation Plan includes the salinity reduction practice or practices that must be installed as well as a schedule of completion dates.

Cost-share levels up to 70 percent of the total cost are authorized for the CRSC Program. Levels exceeding the on-farm and offsite benefits must be approved by agency headquarters with USDA Salinity Control Coordinating Committee concurrence. The combined cost-shares by Federal, State, and others shall not exceed 100 percent of the cost of carrying out a salinity reduction practice. Cost-share assistance levels vary among projects.

Reimbursement of 30 percent of ASCS cost-share funds is billed by DOI and paid by the States to Treasury. The Upper Basin States and Lower Basin States contribute 15 percent and 85 percent, respectively, of the 30-percent share repaid.

Salinity reduction practices (SRP's) for which cost-sharing may be authorized are:

**SRP 1 ON-FARM SALT LOAD REDUCTION:** To reduce salt contributions by conserving or reducing deep percolation of water and controlling erosion, where erosion is contributing significantly to the salt loading of water.

**SRP 2 OFF-FARM SALT LOAD REDUCTION:** To reduce salt contributions by



conserving or reducing seepage of water and controlling erosion, where erosion is contributing significantly to the salt loading of water.

- SRP 3 PERMANENT WILDLIFE HABITAT: To protect, restore, or develop permanent wildlife habitat cover or food, to replenish wildlife.
- SRP 4 SHALLOW WATER AREAS FOR WILDLIFE: To develop or restore shallow water areas to replace the associated wildlife resources.
- SRP SPECIAL SALINITY REDUCTION PRACTICES: Projects may develop permanent salinity reduction and fish and wildlife practices needed to solve a significant, unique local problem that has been designated high priority in the Project Implementation Plan and for which national program practices are not adequate.

#### JUSTIFICATION OF DECREASES

- (1) A decrease of \$260,600 for cost sharing to landowners and others (\$8,154,600 available in fiscal year 1994 for cost sharing).

Need for Change. The Colorado River Basin Salinity Control Program funds direct financial assistance to producers. The budget request of \$7.894 million would enable the program to continue its water quality objectives in existing projects areas, but at a somewhat lower level in order to address budget deficit concerns.

The fiscal year 1995 budget request supports the objectives of the Colorado River Basin Salinity Control Act, enacted by Congress in 1974, which authorized the Secretary of Agriculture to establish a voluntary cooperative salinity control program to enhance and protect the quality of water available in the Colorado River for use in the United States and Mexico.

Nature of Change. The budget request of \$7.894 million would provide cost share assistance to landowners for the installation of approved salinity practices designed to reduce salinity levels in the Colorado River. These measures are expected to reduce salt loading to the Colorado River by approximately 22,500 tons annually.

- (2) A decrease of \$118,400 for Extension Service information and education services (\$618,400 available in fiscal year 1994).

Need for Change. At the fiscal year 1995 requested level for cost-share assistance to landowners, there would be a need for less technical assistance by the Extension Service (ES) to support the program.

Nature of Change. The budget request of \$500 thousand would be used by ES to provide information and education services to program landowners to aid them in understanding and developing practices.

The following tables show (a) outlays for fiscal year 1993 and (b) geographic breakdown of obligations for fiscal years 1993-1995.

**Colorado River Basin Salinity Control Program  
Fiscal Year 1993 Outlays by State**

State	Outlays
Colorado	\$4,004,860
Utah	3,899,826
Wyoming	1,163,574
Nevada	--
ES Information/ Education	1,848,400
SCS Technical Assistance	5,010,300
<b>Total</b>	<b>\$15,926,960</b>

**Colorado River Basin Salinity Control Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995**

State	1993 Actual	1994 Estimated	1995 Estimated
Colorado	\$6,521,424	\$4,829,393	\$3,859,421
Utah	1,974,809	3,000,619	2,850,182
Wyoming	337,737	720,910	730,964
Nevada	67,668	500,000	453,433
Undistributed	--	7,988	--
ES Information/ Education	618,400	618,400	500,000
Subtotal, ASCS/ES	9,520,039	9,677,310	8,394,000
SCS Technical Assistance	5,010,300	5,010,000	--
<b>Total, Available or Estimate</b>	<b>\$14,530,339</b>	<b>\$14,687,310</b>	<b>\$8,394,000</b>

## COLORADO RIVER BASIN SALINITY CONTROL PROGRAM

## STATUS OF PROGRAM

Current Activities: Cost-share levels of up to 70 percent of total costs are authorized in the seven basin States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming. However, cost-share assistance levels vary among projects. Ongoing salinity control projects through fiscal year 1993 are:

Colorado	Grand Valley Unit
	Lower Gunnison #1 Unit
	Lower Gunnison #2 Unit, Delta County
	Lower Gunnison #2 Unit, Montrose County
	Lower Gunnison #3 Unit
	McElmo Creek Unit
Nevada	Moapa Valley Unit
Utah	Uinta Basin Unit
Wyoming	Big Sandy River Unit.

These projects are designed to prevent irrigation water heavily charged with salts and minerals from reentering the river. This aim is achieved by in- stalling on-farm irrigation systems improvements.

All projects include the following activities:

- Cost-sharing. Since irrigation contributes a substantial amount of salt, fertilizer, and other agricultural pollutants into the river, ASCS cost-sharing is available to improve or automate irrigation systems on land where a significant problem exists. Measures include those that reduce excessive deep ground water percolation from irrigation lateral seepage and over-irrigation, and those that reduce the amount of saline return flows from irrigated agriculture.
- Technical Assistance. Soil Conservation Service (SCS) provides technical assistance which includes developing irrigation management plans, performing engineering surveys, assisting in design and construction, and monitoring and evaluating the progress and impacts of on-farm salinity control activities.

Extension Service (ES) develops, carries out, and coordinates CRSC informational and educational activities on a project basis and may provide other technical support to carry out the program.

Current efforts demonstrate that both on-farm and off-farm structural approaches are required to meet long-term objectives. Accomplishment results also show that, due to higher capital costs associated with Department of the Interior structural measures, cost effectiveness can be maximized by greater use of USDA on-farm measures.

Selected Examples of Recent Progress:

The Grand Valley of Mesa County in Western Colorado contributes about 600,000 tons of salt each year to the Colorado River. Irrigation practices and systems contribute about half the salt load. Excess flood irrigation water percolates down to underlying shale, which dissolves and carries salt into the river.



To reduce the salinity level, conversion of the present flood irrigation systems to automated or semi-automated systems is required. The conversion includes lining irrigation ditches, using gated pipe, installing sensing devices, and installing drip irrigation systems in orchards.

During fiscal year 1993, 71 CRSC contracts were approved. From inception of the program in fiscal year 1987 through fiscal year 1993, \$9.085 million has been allocated to Grand Valley for cost-sharing with farmers.

The Uinta Basin unit in Utah is predominantly an agricultural area. Irrigation was introduced in the Basin in 1905 and has steadily increased since then. Few irrigation improvements have been installed throughout the years. Saline land areas and salt concentrations in the river systems contribute about 450,000 tons of salt per year into the Colorado River.

In fiscal year 1993, 97 CRSC contracts were signed with individual land users and groups. In fiscal years 1987 through 1993, \$16.089 million in cost-share funds has been allocated to participants in the Uinta project.

The Big Sandy River unit is located in southwestern Wyoming. Due to the highly permeable soil in the irrigated area, the on-farm ditches and surface methods of field irrigation currently being used percolate large quantities of excess irrigation water into the shallow underground aquifer. The highly saline water from the aquifer reenters the Big Sandy River through seeps and contributes to the estimated annual salt loading of 149,000 tons. On-farm conversion of existing gravity irrigation systems to low-head sprinkler irrigation systems will provide effective irrigation water management.

Funds of \$3.685 million have been allocated for salinity control cost-shares through fiscal 1993. During fiscal year 1993, 15 contracts were signed.

The Lower Gunnison Basin unit is located in west-central Colorado and contributes an estimated 1.1 million tons of salt annually to the Colorado River system.

The goal is to reduce deep percolation from irrigated fields and reduce seepage from off-farm earthen laterals. Collectively, the four projects in this unit will reduce annual salt loading into the Colorado River by 280,500 tons.

Lower Gunnison #1 (Delta County) was the first of the projects to begin salinity reduction measures in this basin unit where irrigated and related upland areas are the major source of salt loading. Funds totaling \$5.798 million were allocated for cost-sharing of salinity reduction practices through fiscal year 1993.

Through fiscal year 1993, approximately \$3.122 million has been allocated to the remaining three Lower Gunnison projects: \$1.6 million for the Lower Gunnison #2 project located in Montrose County, \$1.311 million for the Lower Gunnison #2 project located in Delta County, and \$211,212 for the Lower Gunnison #3 project.

During fiscal year 1993, a total of 77 contracts was approved from individual land users and groups from the four Lower Gunnison projects.

The McElmo Creek unit is located in southwest Colorado and contributes about 119,000 tons of salt each year to the Colorado River. Irrigation is a major contributor of the annual salt load to the Colorado River.

Funds of \$2.908 million have been allocated for cost-sharing salinity reduction practices through fiscal year 1993. During fiscal year 1993 applications were received from individual land users and groups, and 49 contracts were approved.

The Moapa Valley unit is in Clark and Lincoln counties near the Southeastern corner of Nevada. This unit is about 40 miles long in a north-south direction and has an area of 763 square miles. The objective of the project is to reduce annual deep percolation of irrigation water by 4,700 acre-feet, which will reduce the amount of salt entering the river by an estimated 18,700 tons per year.

Funds in the amount of \$100,000 have been allocated for cost-sharing salinity reduction practices through fiscal year 1993.

The tables that follow provide on-farm accomplishments and agency funding, by activity.

Colorado River Basin Salinity Control Program  
On-Farm (Land Treatment) Accomplishments

Implementation	Grand Valley (1979-93)	Uinta (1980-93)	Big Sandy (1988-93)	Lower Gunnison #1,2 and 3 (1988-93)	McElmo Creek (1987-93)
Total Area to be Treated (acres)	53,000	137,000	15,750	169,000	21,550
Ditch Linings/Pipelines (miles)	455	699	22	105	59
Land Leveling (acres)	4,741	2,390	0	957	0
Irrigation Systems - Sprinkler (no.)	51 1/	1,319 2/	57 3/	20 4/	151 5/
Salt Load Reduction					
Total (tons/year)	61,565	70,367	18,774	22,000	8,373
Deep Percolation Reduction - (acre/ft/year), includes seepage	16,070	53,859	7,222	5,633	1,851

1/ On 584 acres

2/ On 73,996 acres

3/ On 4,937 acres

4/ On 554 acres

5/ On 2,989 acres



Colorado River Basin Salinity Control Program Funding  
(\$000)

Fiscal Year	ASCS Appropriated Level	ASCS (Cost - Share)	SCS (Technical Assistance)	ES (Information/ Education)	Total
1987	\$3,804	\$2,450	\$1,284	\$70	\$3,804
1988	4,904	3,089	1,640	175	4,904
1989	5,452	3,441	1,738	273	5,452
1990	10,341	5,955	3,944	442	10,341
1991	14,783	8,870	5,313	600	14,783
1992	14,783	8,840	5,313	630	14,783
1993	13,783	8,154	5,011	618	13,783
1994	13,783	8,155	5,010	618	13,783
Total	\$81,633	\$48,954	\$29,253	\$3,426	\$81,633

1/ Includes Monitoring & Evaluation and Planning Studies.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Conservation Reserve Program

For necessary expenses to carry out the conservation reserve program pursuant to the Food Security Act of 1985 (16 U.S.C. 3831-3845), [~~\$1,743,274,000~~] \$1,752,216,000, to remain available until expended, to be used for Commodity Credit Corporation expenditures for cost-share assistance for the establishment of conservation practices provided for in approved conservation reserve program contracts, and for annual rental payments provided in such contracts; Provided, That none of the funds under this head may be used for salaries and expenses[, and for technical assistance].

The change in language prohibits the use of CRP funds for salaries and expenses and deletes authority for expenditures for technical assistance for funds appropriated to CRP.

CONSERVATION RESERVE PROGRAM

Appropriations Act, 1994.....	\$1,743,274,000
Budget Estimate, 1995.....	<u>1,752,216,000</u>
Increase in Appropriation.....	<u>+8,942,000</u>

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

<u>Item of Change</u>	<u>1994</u> <u>Estimated</u>	<u>Other</u> <u>Changes</u>	<u>1995</u> <u>Estimated</u>
Financial assistance:			
Annual rental payments.....	\$1,728,756,501	+\$19,940,102	\$1,748,696,603
Cost-sharing assistance.....	<u>14,517,499</u>	<u>-10,998,102</u>	<u>3,519,397</u>
Total available.....	<u>1,743,274,000</u>	<u>8,942,000</u>	<u>1,752,216,000</u>

PROJECT STATEMENT  
(On basis of appropriation)

<u>Project</u>	<u>1993</u> <u>Actual</u>	<u>1994</u> <u>Estimated</u>	<u>Increase or</u> <u>Decrease</u>	<u>1995</u> <u>Estimated</u>
Financial assistance:				
Annual rental payments.....	\$1,510,039,413	\$1,728,756,501	+\$19,940,102	\$1,748,696,603
Cost-sharing assistance.....	32,018,946	14,517,499	-10,998,102	3,519,397
Easement overhead costs.	<u>40,278</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total available or estimate....	1,542,098,637	1,743,274,000	+8,942,000 (1)	1,752,216,000
Transfer to SCS for technical assistance.....	5,051,363			
Transfer to Emergency Conservation Program.....	<u>31,367,000</u>			
Total, Appropriation..	1,578,517,000			

Note: Under the Secretary's proposed reorganization plan, this account will be part of the Farm Service Agency.



PROJECT STATEMENT  
(On basis of available funds)

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Financial assistance:				
Annual rental payments.....	\$1,651,234,571	\$1,804,228,000	--	\$1,804,228,000
Cost-sharing assistance....	32,018,946	14,517,499	-\$10,998,102	3,519,397
Easement overhead costs.....	<u>40,278</u>	<u>--</u>	<u>--</u>	<u>--</u>
Subtotal.....	1,683,293,795	1,818,745,499	-10,998,102	1,807,747,397
Unobligated balance brought forward from prior years....	-272,198,054	-131,002,896	+75,471,499	-55,531,397
Unobligated balance carried forward to next year.....	<u>131,002,896</u>	<u>55,531,397</u>	<u>-55,531,397</u>	<u>--</u>
Total available or estimate....	1,542,098,637	1,743,274,000	+8,942,000	1,752,216,000
Transfer to SCS for technical assistance.....	5,051,363			
Transfer to Emergency Conservation Program.....	<u>31,367,000</u>			
Total, Appropriation..	1,578,517,000			

EXPLANATION OF PROGRAM

The Conservation Reserve Program (CRP) was established initially as a voluntary program to help farmers prevent or control soil erosion on highly erodible and environmentally sensitive cropland. The continuation of the program authorized by the Food, Agriculture, Conservation, and Trade Act of 1990 targets additional participation to areas where agriculture adversely impacts water quality. In accordance with the FACT Act, the program is directed toward encouraging the enrollment of croplands in conservation priority areas such as the Chesapeake Bay region, Great Lakes region, Long Island Sound region, and other areas of special environmental sensitivity in order to maximize benefits to water quality and wildlife habitat. Eligible land also includes areas with identified water quality impairment, designated priority areas and public wellhead areas identified by the Environmental Protection Agency.

The objectives of the CRP are to conserve and improve soil and water resources by establishing vegetative cover on eligible cropland. The program also adjusts the production of some agricultural commodities. The CRP is authorized in all 50 States, Puerto Rico, and the Virgin Islands. It is administered through the Commodity Credit Corporation (CCC) under the general supervision of the Administrator, ASCS, and is carried out by State and local ASC committees. Farmers

decide what eligible cropland to offer for enrollment. Those whose bids are accepted enter into a contract with ASCS in which they agree to take the land out of annual crop production, establish cover of perennial grass, legumes, wildlife cover, or trees, and make a proportionate reduction in their program base acreage. The contracts are for 10 years or, at the participant's option, for up to 15 years if the acreage is to be planted to hardwood trees, shelterbelts, windbreaks, or wildlife habitat corridors. Under the eleventh signup, land established to specified practices was required to be placed under useful life easement of 15 to 30 years. Under the twelfth signup, useful life easements were voluntary. In return, USDA provides annual rental payments for 10- to 15-year contracts and useful life easements, and one-time payments for half the cost of establishing the cover.

In fiscal years 1988 through 1994, funds were appropriated in advance for rental, cost-sharing, and technical assistance payments. The Food Security Act of 1985, as amended by the FACT Act of 1990, provides authority to enter into CRP contracts through fiscal year 1995. Appropriations will be requested annually to make payments through fiscal year 2008. The law, amended by the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), requires that at least 38 million acres be enrolled in CRP by the end of 1995.

#### 1994 Program

1. Program Participation. During fiscal year 1994, no signup will be held. Total enrollment is approximately 36.42 million acres through fiscal year 1993.
2. Eligibility. To be eligible to enter a CRP contract, an applicant must:
  - be an individual, partnership, association, corporation, estate, trust, other business enterprise or legal entity, or State or local subdivision of a State owning or operating State or local croplands
  - own or operate eligible cropland that
    - has been planted to an agricultural commodity in at least two of the five years 1986 through 1990
    - meets the definition of eligible land announced by the Secretary for CRP purposes
  - implement an approved conservation plan
  - refrain from grazing or harvesting any crops from the land enrolled in CRP, unless authorized for emergency purposes
  - reduce the aggregate total of acreage bases, allotments, and quotas for the contract period by an amount based on the ratio of the total cropland acreage and the total acreage subject to the CRP contract.
3. Bid Selection. Bid selection is made after a nationwide review and evaluation, and will be based on the environmental benefits of placing the land in the CRP compared to the dollar cost. To increase water quality benefits under the CRP, areas such as filterstrips, sod waterways, shelterbelts, and contour grass strips received additional consideration during the evaluation process.
4. Annual Rental Payments. Annual rental payments, subject to compliance certification, are made after October 1 of the effective year of the contract. Rental payments of \$1.8 billion due in fiscal year 1994 for crop years 1986 through 1993 rental agreements were made beginning in October 1993.

5. Technical Assistance. The technical services of the Soil Conservation Service, Forest Service, and other appropriate agencies are used to carry out the CRP. The SCS determines eligibility of land and assists farmers in preparing conservation plans. The Forest Service and cooperating State forestry agencies help plan and install practices involving trees. In addition, as a component of technical assistance provided to producers, the Federal Government pays fair and reasonable overhead costs of useful life easements on land within a State-approved wellhead protection area and on land established to certain priority practices.

Beginning in fiscal year 1995, funding for SCS technical assistance formerly included in this account will be requested by SCS.

#### JUSTIFICATION OF INCREASE

- (1) An increase of \$8,942,000 in appropriation for estimated expenditures for annual rental payments and cover costs due in fiscal year 1995 (\$1,743,274,000 available in fiscal year 1994).

Need for Change. In accordance with the Food Security Act of 1985, as amended, funds are needed in 1995 to make payments for program rental and cover costs coming due in 1995.

Program costs described above are expected to decrease by a net of \$11 million in fiscal year 1995, reflecting a decrease in estimated vegetative cover establishment costs from fiscal year 1994. However, it is also estimated that the amount of unobligated balance available in fiscal year 1995 will be about \$20 million less than the amount used in 1994, necessitating an increase in appropriation of \$8.94 million.

Nature of Change. No new program enrollment signup is proposed for fiscal year 1995. The Department is now studying various alternatives for expiring contracts and focusing on the future of those lands already under contract. The fiscal year 1995 appropriation request of \$1.752 billion, together with the estimated \$55.5 million in unobligated balances brought forward from fiscal year 1994, would provide:

- \$3.519 million for cost-sharing practices to establish permanent cover in fiscal year 1995 on 1993 and previous crop year acres.
- \$1.804 billion for cash rental payments for 1986- through 1993-crop acreage contracts signed during fiscal years 1986 through 1992. No CCC commodity certificates were used to make rental payments in fiscal year 1994 and none are proposed in fiscal year 1995.

The following tables show (a) actual CRP enrollment through fiscal year 1993 and estimated CRP enrollment for fiscal years 1994 and 1995, and (b) the geographic breakdown of obligations for fiscal years 1993-1995.



Conservation Reserve Program  
Actual Enrollment Through 1993 and Estimated Through 1995  
(Millions of Acres)

<u>Crop Year</u>	<u>Actual</u> <u>FY 1986</u>	<u>Actual</u> <u>FY 1987</u>	<u>Actual</u> <u>FY 1988</u>	<u>Actual</u> <u>FY 1989</u>	<u>Actual</u> <u>FY 1990</u>	<u>Actual</u> <u>FY 1991</u>	<u>Actual</u> <u>FY 1992</u>	<u>Actual</u> <u>FY 1993</u>	<u>Estimated</u> <u>FY 1994</u>	<u>Estimated</u> <u>FY 1995</u>	<u>Crop Year</u> <u>Total</u>
1986	2.04	--	--	--	--	--	--	--	--	--	2.04
1987	6.19	7.48	--	--	--	--	--	--	--	--	13.67
1988	--	6.44	2.32	--	--	--	--	--	--	--	8.76
1989	--	--	3.66	1.69	--	--	--	--	--	--	5.35
1990	--	--	--	4.10	--	--	--	--	--	--	4.10
1991	--	--	--	--	--	.48	--	--	--	--	0.48
1992	--	--	--	--	--	1.00	--	--	--	--	1.00
1993	--	--	--	--	--	--	1.02	--	--	--	1.02
1994	--	--	--	--	--	--	--	--	--	--	--
1995	--	--	--	--	--	--	--	--	--	--	--
1996	--	--	--	--	--	--	--	--	--	--	--
Total	8.23	13.92	5.98	5.79	--	1.48	1.02	--	--	--	36.42
Cumulative, Fiscal Year	8.23	22.15	28.13	33.92	33.92	35.40	36.42	36.42	36.42	36.42	

Conservation Reserve Program  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
1993 and Estimated 1994 and 1995

State	1993	1994	1995
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
Alabama	23,328,369	24,719,595	24,500,120
Alaska	893,487	928,953	928,526
Arizona	1,312	1,312	1,312
Arkansas	12,122,922	12,854,726	12,715,254
California	8,717,171	9,125,370	9,116,028
Colorado	78,880,209	81,359,649	81,257,439
Delaware	60,403	65,711	65,704
Florida	5,388,221	5,693,632	5,640,318
Georgia	26,313,113	30,606,030	30,432,529
Hawaii	54,160	54,160	54,160
Idaho	37,672,902	40,519,899	40,197,445
Illinois	55,718,808	63,927,795	62,880,693
Indiana	31,543,731	34,781,804	34,359,622
Iowa	167,734,671	180,730,093	179,586,152
Kansas	151,888,337	154,444,045	154,157,953
Kentucky	25,180,864	27,083,239	26,821,391
Louisiana	6,394,019	6,519,736	6,473,697
Maine	1,710,888	1,910,166	1,906,633
Maryland	1,441,991	1,503,933	1,492,286
Massachusetts	1,020	1,020	1,020
Michigan	16,266,695	20,585,901	19,875,390
Minnesota	100,799,894	107,403,542	107,072,006
Mississippi	34,430,906	36,720,877	36,293,543
Missouri	101,485,757	110,894,484	109,700,007
Montana	102,416,639	106,874,562	106,448,034
Nebraska	76,451,924	79,783,944	79,476,600
Nevada	125,708	124,940	124,940
New Jersey	38,159	38,864	38,352
New Mexico	18,241,132	18,290,736	18,283,661
New York	3,169,269	3,581,187	3,544,230
North Carolina	6,506,107	6,975,285	6,921,372
North Dakota	104,467,155	122,172,259	122,046,770
Ohio	23,711,190	27,478,496	26,953,634
Oklahoma	49,656,828	50,816,809	50,702,460
Oregon	25,692,532	26,092,421	26,055,447
Pennsylvania	5,827,094	6,421,888	6,390,652
Puerto Rico	30,857	27,480	27,470
South Carolina	11,266,831	11,856,715	11,799,237
South Dakota	68,523,001	88,206,044	88,016,234
Tennessee	23,402,127	24,877,732	24,699,500
Texas	159,002,791	165,536,559	164,424,273
Utah	9,095,516	9,372,573	9,367,296
Vermont	11,997	9,685	9,676
Virginia	3,867,180	4,189,123	4,166,063
Washington	52,006,213	53,053,940	52,750,343
West Virginia	28,997	30,243	30,177
Wisconsin	42,668,443	50,608,911	50,053,970
Wyoming	9,826,244	9,889,436	9,887,777
Undistributed	-769,989	--	--
Subtotal, ASCS	1,683,293,795	1,818,745,499	1,807,747,397
SCS Technical Assistance	5,051,363		
Total Available or Estimate	1,688,345,158	1,818,745,499	1,807,747,397

## CONSERVATION RESERVE PROGRAM

## STATUS OF PROGRAM

Current Activities: The CRP is operated by State and local ASC committees, with technical assistance provided by appropriate agencies. The program is authorized in all 50 States, Puerto Rico, and the Virgin Islands on cropland that meets one of the following eligibility criteria:

- has an erosion rate in excess of three times the soil loss tolerance on land classes II-V;
- has gully erosion with erosion greater than twice the soil loss tolerance on land classes II-V;
- belongs to land classes VI, VII, or VIII regardless of the current rate of erosion;
- has an erodibility index equal to or greater than 8 for wind and water erosion and an erosion rate in excess of the soil loss tolerance;
- has an erosion rate of twice the soil loss tolerance and a predominance of 33% percent if the area is planted to trees;
- is a strip of land 66 to 99 feet wide adjacent to a perennial stream or water body;
- is subject to scour erosion;
- will be placed under specific enduring conservation practices;
- is a wellhead protection area identified by EPA;
- is a water quality impaired area that contributes to the degradation of water quality even if the land does not meet the highly erodible land criteria for being placed in the CRP. Such areas include the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other environmentally sensitive areas approved by the Secretary.

Features of the program include:

1. Cover Practices. Nineteen practices are authorized in the National program to encourage farmers to establish a diverse mixture of perennial grasses or trees and shrubs to achieve permanent vegetative cover on eligible cropland. The major practices are:
  - Establishment of permanent introduced grasses and legumes
  - Establishment of permanent native grasses
  - Tree planting
  - Permanent wildlife habitat
  - Filter strips.
2. Contracts. Farm owners or operators enter into a contract to convert eligible crop land to vegetative cover. Contracts with USDA are based on farm owners' and operators' bids per acre, environmental benefits per dollar, and the number of acres that are placed under a 10-year to 15-year contract.

3. Payments. Under the Food Security Act of 1985, as amended by the Food, Agriculture, Conservation, and Trade (FACT) Act of 1990, payments are authorized to be made in cash or CCC commodity certificates in accordance with the terms of the contract. In fiscal year 1993, the following payments were made:

- Cost-sharing - Payments equal to 50 percent of the cost of establishing permanent cover are made in cash after certification by the farmer that work has been completed. In addition, if disease, drought, or other natural disasters cause failure in the establishment of protective cover, the cost of reestablishment will be shared. Cost-share payments of \$32.02 million were made in fiscal year 1993.
- Annual rental payments - Up to \$50,000 per year is paid to a farm owner or operator for converting eligible land to conservation use. In fiscal year 1993 rental payments of \$1.652 billion were paid in cash.

4. Technical Assistance. The SCS determines eligibility, develops conservation plans, and helps install approved practices. The Forest Service and cooperating State forestry agencies develop plans for tree planting and assist in carrying them out. The Extension Service provides information and educational assistance to inform landowners and operators about the program. Local soil and water conservation districts approve conservation plans. To ensure maximum program benefits, USDA consults with land grant universities, State soil and water agencies, State fish and wildlife agencies, the U.S. Fish and Wildlife Service, and others. Technical assistance payments of \$1.142 million were made to the Forest Service and \$5.165 million to SCS in fiscal year 1993 for services related to the twelfth and previous CRP signups.

Selected Examples of Recent Progress:

During fiscal year 1993, no signups were held. The following cumulative enrollment data, from fiscal year 1986 through fiscal year 1993, reflects program activity under both the Food Security Act of 1985 and the FACT Act of 1990.

- Participation. Accepted bids total 375,202.
- Acreage. Enrollment through fiscal year 1993 is approximately 36.4 million acres, comprised as follows:

<u>Crop Year</u>	<u>Acres Enrolled (in millions)</u>
1986	2.0
1987	13.7
1988	8.7
1989	5.4
1990	4.1
1991	0.5
1992	1.0
1993	1.0

- Base Acreage Reduction. Base acre reduction through fiscal year 1993, totals approximately 23.3 million acres or about 64 percent of total acres enrolled.
- Tree Planting Acreage. Acres designated for tree planting through fiscal year 1993 total approximately 2.5 million acres, 6.9 percent of total enrolled acres.
- Soil Erosion Reduction. In total, the 36.4 million acres enrolled through



fiscal year 1993 are expected to save about 694 million tons of soil per year when the land is in permanent cover.

- Water Quality Benefits: Under the program 52,931 acres of filter strips were enrolled through the twelfth signup, on land adjacent to a perennial stream or water body.

The following tables provide (1) a national summary of CRP activity through fiscal year 1993 by State and by crop year; (2) a summary of total program payments made in fiscal year 1993, by State; (3) a summary of program payments made in fiscal year 1993 by State and individual crop years 1986-1993; (4) a summary of acres enrolled, base acre reduction, tree acres, and expected annual erosion reduction by State through fiscal year 1993; and (5) acres of commodity base enrolled through fiscal year 1993.

Conservation Reserve Program  
National Summary Cumulative from Inception  
As of 8-30-93

Table 1  
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State	No. Farms & Acreage	Acres Accepted								Total
		1986 Crea-Year	1987 Crea-Year	1988 Crea-Year	1989 Crea-Year	1990 Crea-Year	1991 Crea-Year	1992 Crea-Year	1993 Crea-Year	
Connecticut	1	0	0	10	0	119	0	0	0	129
Delaware	30	0	155	297	413	1,426	11	0	0	2,302
Maine	941	2,459	12,049	13,996	7,292	4,246	278	716	273	41,309
Maryland	707	486	2,272	3,921	5,132	0	1,575	1,006	950	16,144
Massachusetts	5	15	10	0	7	0	0	0	0	32
New Hampshire	0	0	0	0	0	165	0	0	0	165
New Jersey	30	150	84	129	132	3,463	0	0	62	4,020
New York	1,729	5,860	19,078	16,353	9,052	12,095	3,036	3,213	3,440	73,129
Pennsylvania	2,649	6,051	29,805	23,999	20,515	0	1,952	3,722	2,939	68,983
Rhode Island	0	0	0	0	0	0	0	0	0	0
Vermont	10	16	168	0	3	14	0	6	0	207
West Virginia	35	89	223	205	78	0	0	0	8	603
<b>NORTHEAST AREA</b>	<b>6,137</b>	<b>15,126</b>	<b>64,644</b>	<b>58,910</b>	<b>42,624</b>	<b>21,828</b>	<b>6,854</b>	<b>9,465</b>	<b>7,672</b>	<b>227,023</b>
Illinois	19,685	32,080	241,025	116,495	145,948	88,025	28,403	72,505	77,438	811,927
Indiana	11,539	10,922	138,399	67,910	93,289	54,209	14,917	40,551	42,451	462,648
Iowa	35,667	79,923	1,174,361	230,673	282,483	194,318	37,222	100,490	116,963	2,224,833
Michigan	8,039	7,458	64,865	54,812	44,665	24,505	17,792	41,822	76,934	332,953
Minnesota	27,221	136,007	1,006,881	341,002	220,812	125,070	20,230	48,487	29,565	1,928,954
Missouri	22,804	103,124	779,028	392,979	155,044	73,439	32,867	87,992	101,563	1,726,636
Ohio	8,542	8,844	95,381	43,452	57,620	48,932	19,267	51,102	52,590	377,068
Wisconsin	20,789	21,618	211,629	173,317	107,548	89,947	31,770	56,459	54,241	746,529
<b>MIDWEST AREA</b>	<b>154,286</b>	<b>399,984</b>	<b>3,712,369</b>	<b>1,428,640</b>	<b>1,107,709</b>	<b>709,345</b>	<b>202,468</b>	<b>499,408</b>	<b>551,745</b>	<b>8,611,668</b>
Alabama	10,113	73,173	239,003	116,096	72,993	19,664	16,487	14,601	22,573	573,190
Arkansas	3,418	21,636	72,480	53,395	48,964	28,879	9,144	11,462	14,046	260,006
Florida	2,487	12,711	39,023	36,826	24,479	10,175	2,338	3,971	5,838	134,060
Georgia	14,718	48,058	213,819	176,741	199,989	63,779	11,395	14,476	17,431	706,458
Kentucky	8,102	43,962	240,295	74,011	40,258	18,673	4,761	10,699	17,098	451,317
Louisiana	1,796	7,111	38,391	34,579	27,642	25,085	4,782	4,324	4,358	146,572
Mississippi	13,647	83,816	312,301	146,491	105,212	79,078	33,070	40,103	41,795	641,824
North Carolina	6,487	10,631	51,890	40,631	23,058	11,229	3,103	5,621	5,243	151,006
Puerto Rico	0	0	168	152	60	0	15	0	0	455
South Carolina	6,737	18,989	115,321	60,342	47,454	23,487	2,563	4,042	5,952	279,070
Tennessee	10,830	55,254	190,484	94,464	57,468	23,670	10,856	18,028	17,386	475,624
Virgin Islands	0	0	0	0	0	0	0	0	0	0
Virginia	3,186	4,962	21,852	23,091	16,498	7,535	1,399	1,886	2,333	79,556
<b>SOUTHEAST AREA</b>	<b>81,468</b>	<b>378,673</b>	<b>1,943,327</b>	<b>856,720</b>	<b>624,045</b>	<b>311,174</b>	<b>101,913</b>	<b>129,373</b>	<b>153,715</b>	<b>4,090,940</b>
Alaska	44	1,345	19,228	3,990	138	674	647	0	0	26,022
Idaho	3,907	100,735	376,664	174,757	93,116	45,789	19,551	35,521	30,926	877,059
Montana	7,925	50,470	768,760	1,044,571	521,287	335,045	49,167	45,731	39,276	2,854,507
Nebraska	14,449	74,062	621,451	315,114	191,259	146,834	10,521	36,301	29,672	1,425,424
North Dakota	18,320	39,642	591,632	984,459	794,086	727,385	13,799	18,990	10,581	3,180,574
Oregon	2,012	64,400	326,352	96,329	22,192	7,077	2,736	8,126	2,754	530,766
South Dakota	12,476	34,631	373,133	481,846	503,290	691,766	4,210	10,628	20,660	2,120,254
Washington	4,483	85,155	482,900	283,190	73,708	80,367	8,236	33,563	29,809	1,047,028
Wyoming	795	10,072	105,743	83,128	22,401	25,658	0	0	201	257,223
<b>NORTHWEST AREA</b>	<b>64,611</b>	<b>430,412</b>	<b>3,665,883</b>	<b>3,477,584</b>	<b>2,221,487</b>	<b>2,061,385</b>	<b>100,867</b>	<b>189,060</b>	<b>163,979</b>	<b>12,318,657</b>
Arizona	0	0	0	0	0	0	0	0	0	0
California	611	23,118	101,206	32,509	18,940	7,280	0	4,066	377	187,498
Colorado	6,199	358,777	932,330	322,691	198,965	160,278	1,556	14,157	9,636	1,978,390
Hawaii	1	85	0	0	0	0	0	0	0	85
Kansas	21,020	104,492	873,592	1,054,646	427,889	401,168	8,812	40,867	26,397	2,937,863
Nevada	10	0	0	2,072	324	727	0	0	0	3,123
New Mexico	1,518	95,696	329,967	37,939	14,880	2,383	29	1,881	506	483,181
Oklahoma	6,688	60,980	463,686	365,116	146,440	117,028	5,447	22,102	9,305	1,192,504
Texas	19,786	185,192	1,813,283	1,073,694	578,991	303,611	39,029	86,577	103,904	4,150,481
Utah	997	20,595	149,361	45,944	13,685	2,866	0	1,253	407	233,981
<b>SOUTHWEST AREA</b>	<b>68,710</b>	<b>818,935</b>	<b>4,683,325</b>	<b>2,934,611</b>	<b>1,388,784</b>	<b>995,341</b>	<b>85,073</b>	<b>170,905</b>	<b>180,132</b>	<b>11,187,106</b>
<b>TOTAL AREAS</b>	<b>375,202</b>	<b>2,043,130</b>	<b>13,669,848</b>	<b>8,756,465</b>	<b>5,354,649</b>	<b>4,098,773</b>	<b>475,175</b>	<b>998,211</b>	<b>1,027,443</b>	<b>36,423,394</b>
SCS T/A	0	0	0	0	0	0	0	0	0	0
PS T/A	0	0	0	0	0	0	0	0	0	0
undistributed	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>375,202</b>	<b>2,043,130</b>	<b>13,669,848</b>	<b>8,756,465</b>	<b>5,354,649</b>	<b>4,098,773</b>	<b>475,175</b>	<b>998,211</b>	<b>1,027,443</b>	<b>36,423,394</b>

Conservation Reserve Program  
National Summary Cumulative from Inception  
As of 9-30-93

Table 1  
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State	Contract Amount			
	10-Year Annual	Corn Annus	Estimated Cost-Share	Total
Connecticut	5,000	0	2,662	7,662
Delaware	656,990	12,660	43,330	712,980
Maine	19,052,010	3,421	2,143,104	21,198,535
Maryland	14,872,830	97,868	937,837	15,908,535
Massachusetts	15,200	0	3,931	19,131
New Hampshire	0	0	0	0
New Jersey	382,090	263	37,769	420,122
New York	35,316,370	1,035,009	2,420,301	38,771,680
Pennsylvania	63,795,350	925,848	2,954,404	67,675,602
Rhode Island	0	0	0	0
Vermont	96,700	0	9,333	106,033
West Virginia	301,580	6,350	11,174	319,104
<b>NORTHEAST AREA</b>	<b>134,494,120</b>	<b>2,081,419</b>	<b>8,564,045</b>	<b>145,139,584</b>
Illinois	626,200,880	15,796,987	24,581,255	666,579,122
Indiana	342,164,920	9,939,370	17,708,565	369,812,855
Iowa	1,831,309,690	118,192,518	59,125,447	2,008,627,655
Michigan	196,503,980	3,624,263	8,183,652	208,311,895
Minnesota	1,069,507,080	39,089,053	46,778,893	1,155,375,026
Missouri	1,093,675,420	20,296,839	47,438,408	1,161,410,667
Ohio	267,752,020	6,170,658	11,500,143	285,422,821
Wisconsin	498,578,150	15,325,636	14,716,717	528,620,503
<b>MIDWEST AREA</b>	<b>5,925,692,140</b>	<b>228,435,324</b>	<b>230,033,080</b>	<b>6,384,160,544</b>
Alabama	244,280,820	1,364,971	17,284,950	262,930,741
Arkansas	126,697,540	67,264	7,648,960	134,433,764
Florida	56,228,220	273,680	2,699,831	59,201,731
Georgia	304,215,310	2,600,317	17,904,478	324,720,105
Kentucky	267,691,100	10,561,342	12,536,786	290,789,228
Louisiana	64,575,720	97,205	3,307,787	67,980,712
Mississippi	361,460,730	763,805	19,252,879	381,477,414
North Carolina	69,026,740	1,058,602	4,563,303	74,648,645
Puerto Rico	274,650	0	8,314	282,964
South Carolina	117,806,410	1,255,656	5,878,238	124,940,304
Tennessee	246,379,040	3,223,473	30,805,746	280,408,259
Virgin Islands	0	0	0	0
Virginia	41,583,450	435,712	2,132,170	44,151,332
<b>SOUTHEAST AREA</b>	<b>1,900,219,730</b>	<b>21,702,027</b>	<b>124,043,442</b>	<b>2,045,965,199</b>
Alaska	9,529,870	0	1,928,641	11,458,511
Idaho	400,843,880	273,508	24,751,458	425,868,846
Montana	1,062,958,090	226,401	44,987,808	1,108,172,299
Nebraska	793,686,470	36,651,516	34,468,963	864,806,949
North Dakota	1,219,989,730	6,249,860	67,856,337	1,294,095,927
Oregon	260,401,380	44,150	14,345,344	274,790,874
South Dakota	879,563,980	5,610,740	39,542,898	924,717,618
Washington	526,453,080	463,221	30,400,129	557,316,430
Wyoming	98,851,050	61,826	4,849,166	103,762,042
<b>NORTHWEST AREA</b>	<b>5,252,277,530</b>	<b>49,581,222</b>	<b>263,130,744</b>	<b>5,564,989,496</b>
Arizona	0	0	0	0
California	91,111,290	0	2,245,696	93,356,986
Colorado	812,201,510	2,971,342	71,048,060	886,220,912
Hawaii	68,000	0	0	68,000
Kansas	1,551,835,240	6,747,014	85,772,028	1,644,354,282
Nevada	1,249,490	0	51,665	1,301,065
New Mexico	182,806,140	885,006	18,560,428	202,251,574
Oklahoma	506,572,210	509,361	25,665,230	532,746,801
Texas	1,640,865,900	11,144,888	152,283,471	1,804,294,259
Utah	93,651,150	15,453	4,240,376	97,906,979
<b>SOUTHWEST AREA</b>	<b>4,880,360,840</b>	<b>22,273,064</b>	<b>359,866,954</b>	<b>5,262,500,858</b>
<b>TOTAL AREAS</b>	<b>18,093,044,360</b>	<b>324,073,056</b>	<b>985,638,265</b>	<b>19,402,755,681</b>
SCS T/A	0	0	0	0
FS T/A	0	0	0	0
undistributed	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>18,093,044,360</b>	<b>324,073,056</b>	<b>985,638,265</b>	<b>19,402,755,681</b>

Conservation Reserve Program  
Fiscal Year 1993 National Summary  
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Table 2

State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Lia. Payments	
Connecticut	0	0	0	0	0
Delaware	60,403	0	0	0	60,403
Maine	1,710,483	405	0	0	1,710,888
Maryland	1,332,066	109,906	0	0	1,441,991
Massachusetts	1,020	0	0	0	1,020
New Hampshire	0	0	0	0	0
New Jersey	33,594	4,565	0	0	38,159
New York	3,090,962	70,307	0	0	3,169,269
Pennsylvania	5,794,938	32,156	0	0	5,827,094
Rhode Island	0	0	0	0	0
Vermont	11,997	0	0	0	11,997
West Virginia	28,997	0	0	0	28,997
<b>NORTHEAST AREA</b>	<b>12,072,479</b>	<b>217,339</b>	<b>0</b>	<b>0</b>	<b>12,289,818</b>
Illinois	53,354,947	2,357,047	6,814	0	55,718,808
Indiana	29,941,179	1,602,474	78	0	31,543,731
Iowa	165,041,523	2,680,242	4,905	0	167,734,671
Michigan	15,078,792	1,185,345	2,558	0	16,266,695
Minnesota	99,750,017	1,046,950	2,927	0	100,799,894
Missouri	99,111,883	2,373,195	679	0	101,485,757
Ohio	21,663,468	2,047,894	-172	0	23,711,190
Wisconsin	41,248,327	1,419,745	371	0	42,668,443
<b>MIDWEST AREA</b>	<b>525,180,136</b>	<b>14,720,882</b>	<b>18,160</b>	<b>0</b>	<b>539,929,188</b>
Alabama	22,480,219	848,160	0	0	23,328,369
Arkansas	11,365,606	757,316	0	0	12,122,922
Florida	5,165,135	223,087	0	0	5,388,221
Georgia	25,645,248	667,866	0	0	26,313,113
Kentucky	24,797,979	382,885	0	0	25,180,864
Louisiana	6,127,640	265,600	700	0	6,394,019
Mississippi	32,874,481	1,556,425	0	0	34,430,906
North Carolina	6,308,505	197,602	0	0	6,506,107
Puerto Rico	29,325	1,532	0	0	30,857
South Carolina	11,028,117	237,775	939	0	11,266,831
Tennessee	22,587,324	814,803	0	0	23,402,127
Virgin Islands	0	0	0	0	0
Virginia	3,818,997	48,183	0	0	3,867,180
<b>SOUTHEAST AREA</b>	<b>172,228,575</b>	<b>6,001,303</b>	<b>1,639</b>	<b>0</b>	<b>178,231,517</b>
Alaska	893,487	0	0	0	893,487
Idaho	36,725,751	946,553	598	0	37,672,902
Montana	101,675,740	740,368	531	0	102,416,639
Nebraska	75,347,277	1,103,779	868	0	76,451,924
North Dakota	103,721,982	744,620	553	0	104,467,155
Oregon	25,378,281	314,251	0	0	25,692,532
South Dakota	67,915,566	606,445	990	0	68,523,001
Washington	50,600,169	1,406,045	0	0	52,006,213
Wyoming	9,678,803	147,441	0	0	9,826,244
<b>NORTHWEST AREA</b>	<b>471,937,055</b>	<b>6,009,502</b>	<b>3,540</b>	<b>0</b>	<b>477,950,097</b>
Arizona	1,312	0	0	0	1,312
California	8,727,614	-26,418	15,975	0	8,717,171
Colorado	78,335,069	544,585	555	0	78,880,209
Hawaii	54,160	0	0	0	54,160
Kansas	150,732,265	1,156,147	-75	0	151,888,337
Nevada	125,708	0	0	0	125,708
New Mexico	18,167,752	73,380	0	0	18,241,132
Oklahoma	49,185,865	470,478	485	0	49,656,828
Texas	156,249,257	2,753,534	0	0	159,002,791
Utah	8,998,164	97,351	0	0	9,095,516
<b>SOUTHWEST AREA</b>	<b>470,577,166</b>	<b>5,069,057</b>	<b>16,940</b>	<b>0</b>	<b>475,663,163</b>
<b>TOTAL AREAS</b>	<b>1,652,005,412</b>	<b>32,018,094</b>	<b>40,278 a/</b>	<b>0</b>	<b>1,684,063,784</b>
SCS T/A	0	0	5,165,508	0	5,165,508
FS T/A	0	0	1,142,186	0	1,142,186
undistributed	56,530	852	0	-827,371	-769,889
<b>TOTAL PROGRAM</b>	<b>1,652,061,942</b>	<b>32,018,946</b>	<b>6,347,972</b>	<b>-827,371</b>	<b>1,689,601,489</b>

a/ Represents technical assistance for establishment of long term easements.



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State	No. Farms A Contract	Acres Accepted	Contract Amount		
			Annual Rental	Estimated Cost-Share	Total
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Maine	72	2,459	111,216	149,566	260,784
Maryland	20	486	24,751	37,768	62,519
Massachusetts	1	15	675	1,663	2,338
New Hampshire	0	0	0	0	0
New Jersey	7	150	7,675	7,078	15,553
New York	175	5,060	318,018	280,473	598,491
Pennsylvania	207	6,051	335,252	311,377	646,629
Rhode Island	0	0	0	0	0
Vermont	2	16	800	556	1,356
West Virginia	4	89	3,765	2,239	6,004
<b>NORTHEAST AREA</b>	<b>488</b>	<b>15,126</b>	<b>802,152</b>	<b>791,522</b>	<b>1,593,674</b>
Illinois	852	32,088	2,013,173	1,578,844	3,592,017
Indiana	369	10,922	621,630	512,121	1,133,751
Iowa	1,394	79,923	5,504,701	2,499,617	8,004,318
Michigan	210	7,458	389,716	213,020	602,736
Minnesota	1,833	136,007	6,480,905	3,684,170	10,165,075
Missouri	1,354	103,124	5,474,740	3,416,597	8,891,337
Ohio	267	8,844	470,327	330,874	801,201
Wisconsin	703	21,618	1,258,518	634,395	1,892,913
<b>MIDWEST AREA</b>	<b>6,982</b>	<b>399,984</b>	<b>22,213,710</b>	<b>12,869,638</b>	<b>35,083,348</b>
Alabama	959	71,173	2,528,266	3,182,973	5,711,239
Arkansas	300	21,636	990,211	838,885	1,829,096
Florida	237	12,711	445,678	221,432	667,110
Georgia	1,212	48,858	1,746,827	1,267,127	3,013,954
Kentucky	807	43,562	2,390,638	1,499,860	3,890,498
Louisiana	83	7,111	278,731	155,190	433,921
Mississippi	1,397	83,816	2,897,625	1,942,921	4,840,546
North Carolina	423	10,531	456,781	377,634	834,415
Puerto Rico	1	60	3,600	5,669	9,269
South Carolina	453	18,989	632,582	484,868	1,117,450
Tennessee	1,399	55,264	2,637,332	1,956,092	4,593,424
Virgin Islands	0	0	0	0	0
Virginia	209	4,962	213,870	173,916	387,786
<b>SOUTHEAST AREA</b>	<b>7,480</b>	<b>378,673</b>	<b>15,222,141</b>	<b>12,106,567</b>	<b>27,328,708</b>
Alaska	1	1,345	49,765	119,600	169,365
Idaho	297	100,735	4,231,955	3,312,595	7,544,550
Montana	148	50,470	1,653,972	800,978	2,462,950
Nebraska	734	74,062	3,653,090	1,896,356	5,549,446
North Dakota	295	39,642	1,331,773	758,618	2,090,391
Oregon	256	64,400	3,034,160	2,112,785	5,146,945
South Dakota	311	34,531	1,262,540	1,571,264	2,833,804
Washington	245	55,155	2,546,258	1,932,005	4,478,263
Wyoming	20	10,072	300,912	235,452	536,364
<b>NORTHWEST AREA</b>	<b>2,307</b>	<b>430,412</b>	<b>18,064,425</b>	<b>12,747,653</b>	<b>30,812,078</b>
Arizona	0	0	0	0	0
California	56	23,118	1,095,260	485,631	1,580,891
Colorado	857	358,777	13,620,596	13,531,138	27,151,734
Hawaii	1	85	6,800	0	6,800
Kansas	1,316	104,492	5,032,245	2,835,527	7,867,772
Nevada	0	0	0	0	0
New Mexico	310	95,696	3,387,888	4,909,289	8,297,177
Oklahoma	423	60,980	2,351,178	1,226,340	3,577,518
Texas	686	155,192	5,531,867	6,294,702	11,826,569
Utah	98	20,595	748,029	479,995	1,228,024
<b>SOUTHWEST AREA</b>	<b>3,747</b>	<b>818,935</b>	<b>31,773,863</b>	<b>29,762,622</b>	<b>61,536,485</b>
<b>TOTAL AREAS</b>	<b>21,004</b>	<b>2,043,130</b>	<b>88,076,291</b>	<b>68,278,002</b>	<b>156,354,293</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>21,004</b>	<b>2,043,130</b>	<b>88,076,291</b>	<b>68,278,002</b>	<b>156,354,293</b>

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State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Liq. Payments	
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Maine	107,783	0	0	0	107,783
Maryland	18,255	0	0	0	18,255
Massachusetts	675	0	0	0	675
New Hampshire	0	0	0	0	0
New Jersey	6,985	0	0	0	6,985
New York	303,380	0	0	0	303,380
Pennsylvania	289,284	-36	0	0	289,248
Rhode Island	0	0	0	0	0
Vermont	640	0	0	0	640
West Virginia	3,766	0	0	0	3,766
<b>NORTHEAST AREA</b>	<b>730,768</b>	<b>-36</b>	<b>0</b>	<b>0</b>	<b>730,732</b>
Illinois	1,965,329	1,014	0	0	1,966,343
Indiana	602,090	-768	0	0	601,322
Iowa	5,140,920	9,357	0	0	5,150,277
Michigan	377,081	0	0	0	377,081
Minnesota	6,241,671	11,167	0	0	6,252,838
Missouri	5,285,802	8,558	0	0	5,294,359
Ohio	430,040	-10	0	0	430,030
Wisconsin	1,200,465	2,106	0	0	1,202,570
<b>MIDWEST AREA</b>	<b>21,243,398</b>	<b>31,422</b>	<b>0</b>	<b>0</b>	<b>21,274,820</b>
Alabama	2,434,552	-3,583	0	0	2,430,969
Arkansas	901,108	1,323	0	0	902,431
Florida	421,993	-53	0	0	421,940
Georgia	1,659,664	-7,167	0	0	1,662,497
Kentucky	2,354,068	381	0	0	2,354,449
Louisiana	257,743	0	0	0	257,743
Mississippi	2,780,645	-70	0	0	2,780,574
North Carolina	419,238	-105	0	0	419,133
Puerto Rico	3,600	0	0	0	3,600
South Carolina	614,762	0	0	0	614,762
Tennessee	2,488,901	-7,077	0	0	2,481,825
Virgin Islands	0	0	0	0	0
Virginia	202,812	0	0	0	202,812
<b>SOUTHEAST AREA</b>	<b>14,549,086</b>	<b>-16,351</b>	<b>0</b>	<b>0</b>	<b>14,532,735</b>
Alaska	82,038	0	0	0	82,038
Idaho	1,498,696	633	0	0	1,499,329
Montana	1,782,588	7,831	0	0	1,790,419
Nebraska	3,581,647	42,068	0	0	3,623,715
North Dakota	1,191,308	1,313	0	0	1,192,621
Oregon	2,945,549	8,967	0	0	2,954,516
South Dakota	1,303,233	4,610	0	0	1,307,843
Washington	2,512,350	79,951	0	0	2,592,301
Wyoming	230,895	0	0	0	230,895
<b>NORTHWEST AREA</b>	<b>15,128,304</b>	<b>145,373</b>	<b>0</b>	<b>0</b>	<b>15,273,676</b>
Arizona	0	0	0	0	0
California	1,036,589	0	0	0	1,036,589
Colorado	13,212,120	39,056	0	0	13,251,176
Hawaii	6,800	0	0	0	6,800
Kansas	4,943,997	17,689	0	0	4,961,686
Nevada	0	0	0	0	0
New Mexico	3,302,400	6,568	0	0	3,308,968
Oklahoma	2,220,103	2,480	0	0	2,222,584
Texas	5,302,618	25,069	0	0	5,327,686
Utah	716,193	2,896	0	0	719,089
<b>SOUTHWEST AREA</b>	<b>30,740,820</b>	<b>93,758</b>	<b>0</b>	<b>0</b>	<b>30,834,578</b>
<b>TOTAL AREAS</b>	<b>82,392,375</b>	<b>254,165</b>	<b>0</b>	<b>0</b>	<b>82,646,541</b>
SCS T/A	0	0	174,192	0	174,192
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>82,392,375</b>	<b>254,165</b>	<b>174,192</b>	<b>0</b>	<b>82,820,733</b>

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State	No. Farms A Contracts	Acres Accepted	Contract Amount			Total
			Annual Bental	Corn Bonus	Estimated Cost-Share	
Connecticut	0	0	0	0	0	0
Delaware	4	155	10,015	12,660	4,556	27,231
Maine	303	12,049	596,017	3,421	725,526	1,324,964
Maryland	64	2,272	137,944	97,060	113,623	349,435
Massachusetts	1	10	500	0	2,123	2,623
New Hampshire	0	0	0	0	0	0
New Jersey	5	84	4,395	263	4,135	8,793
New York	502	19,878	1,133,439	1,035,009	707,176	2,875,624
Pennsylvania	778	29,805	1,792,310	925,848	966,675	3,684,833
Rhode Island	0	0	0	0	0	0
Vermont	6	168	8,415	0	8,476	16,891
West Virginia	12	223	10,800	6,350	3,925	21,075
<b>NORTHEAST AREA</b>	<b>1,675</b>	<b>64,644</b>	<b>3,693,835</b>	<b>2,081,419</b>	<b>2,536,215</b>	<b>8,311,469</b>
Illinois	4,853	241,025	17,058,386	15,796,987	7,182,307	40,037,680
Indiana	3,101	138,399	9,064,737	9,939,370	6,196,825	25,200,932
Iowa	15,272	1,174,361	90,529,636	118,192,518	29,707,680	238,429,834
Michigan	1,541	64,865	3,725,332	3,624,263	1,459,557	8,809,152
Minnesota	13,105	1,006,881	58,294,589	39,089,053	23,505,195	120,888,837
Missouri	8,717	779,828	48,969,256	20,296,839	21,152,474	90,418,569
Ohio	1,969	95,381	5,785,829	6,170,658	2,787,607	14,744,094
Wisconsin	5,100	211,629	14,179,406	15,325,636	3,735,998	33,241,040
<b>MIDWEST AREA</b>	<b>53,658</b>	<b>3,712,369</b>	<b>247,607,171</b>	<b>228,435,324</b>	<b>95,727,643</b>	<b>571,770,138</b>
Alabama	3,518	239,603	10,203,728	1,364,971	6,194,603	17,763,302
Arkansas	923	72,480	3,564,945	67,264	2,029,414	5,661,623
Florida	677	39,023	1,637,486	273,680	690,258	2,601,424
Georgia	4,260	213,819	9,076,305	2,600,317	5,144,490	16,821,112
Kentucky	3,986	240,295	14,198,855	10,561,342	6,566,630	31,326,827
Louisiana	490	38,391	1,659,212	97,205	765,612	2,522,029
Mississippi	4,725	312,301	13,321,674	763,805	6,395,272	20,480,751
North Carolina	1,890	51,590	2,346,534	1,058,602	1,621,108	5,026,244
Puerto Rico	3	168	10,080	0	425	10,505
South Carolina	2,427	115,321	4,880,569	1,255,656	2,327,711	8,463,936
Tennessee	4,234	198,484	10,282,758	3,223,473	6,560,402	20,066,633
Virgin Islands	0	0	0	0	0	0
Virginia	845	21,852	1,062,975	435,712	571,906	2,070,593
<b>SOUTHEAST AREA</b>	<b>27,978</b>	<b>1,543,327</b>	<b>72,245,121</b>	<b>21,702,027</b>	<b>38,867,831</b>	<b>132,814,979</b>
Alaska	30	19,228	702,322	0	1,439,397	2,141,719
Idaho	1,487	376,664	16,880,191	273,508	10,408,033	27,561,732
Montana	2,053	768,760	28,054,461	226,401	10,508,053	38,788,915
Nebraska	5,361	621,451	35,015,527	36,651,516	14,448,775	86,115,818
North Dakota	3,434	591,632	22,066,980	6,249,860	11,182,926	39,479,766
Oregon	1,009	326,352	16,092,263	44,150	8,722,305	24,858,718
South Dakota	2,621	373,133	14,709,040	5,610,740	7,070,774	27,390,554
Washington	1,758	482,900	23,776,502	463,221	13,662,746	37,902,469
Wyoming	320	105,763	4,093,192	61,826	1,931,287	6,086,305
<b>NORTHWEST AREA</b>	<b>18,073</b>	<b>3,665,883</b>	<b>161,390,478</b>	<b>49,581,222</b>	<b>79,354,296</b>	<b>290,325,996</b>
Arizona	0	0	0	0	0	0
California	229	101,206	4,894,744	0	944,302	5,839,046
Colorado	2,801	952,330	39,150,416	2,971,342	33,012,185	75,133,943
Hawaii	0	0	0	0	0	0
Kansas	8,511	873,592	45,599,977	6,747,014	22,295,287	74,642,278
Nevada	0	0	0	0	0	0
New Mexico	984	329,867	12,623,854	885,006	11,913,334	25,422,194
Oklahoma	2,976	463,686	19,517,891	509,361	8,313,992	28,341,244
Texas	7,516	1,813,283	71,450,277	11,144,888	68,156,191	150,751,356
Utah	521	149,361	6,108,757	15,453	2,688,724	8,812,934
<b>SOUTHWEST AREA</b>	<b>23,538</b>	<b>4,683,325</b>	<b>199,345,916</b>	<b>22,273,064</b>	<b>147,324,015</b>	<b>368,942,995</b>
<b>TOTAL AREAS</b>	<b>124,922</b>	<b>13,669,548</b>	<b>684,282,521</b>	<b>324,073,056</b>	<b>363,810,000</b>	<b>1,372,165,577</b>
SCS T/A	0	0	0	0	0	0
FS T/A	0	0	0	0	0	0
undistributed	0	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>124,922</b>	<b>13,669,548</b>	<b>684,282,521</b>	<b>324,073,056</b>	<b>363,810,000</b>	<b>1,372,165,577</b>

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State	Payments		Technical Assistance	Liq. Payments	Total
	Cash Rental	Cost-Share			
Connecticut	0	0	0	0	0
Delaware	8,878	0	0	0	8,878
Maine	539,859	0	0	0	539,859
Maryland	129,320	156	0	0	129,476
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	5,356	0	0	0	5,356
New York	1,052,793	-441	0	0	1,052,353
Pennsylvania	1,715,749	-6,489	0	0	1,709,260
Rhode Island	0	0	0	0	0
Vermont	9,957	0	0	0	9,957
West Virginia	10,798	0	0	0	10,798
<b>NORTHEAST AREA</b>	<b>3,472,710</b>	<b>-6,773</b>	<b>0</b>	<b>0</b>	<b>3,465,937</b>
Illinois	16,267,619	40,271	-391	0	16,307,499
Indiana	8,771,760	5,527	0	0	8,777,288
Iowa	86,947,706	86,258	0	0	87,033,964
Michigan	3,603,573	-2,552	0	0	3,601,021
Minnesota	56,928,727	45,995	0	0	56,974,723
Missouri	48,080,059	119,957	0	0	48,200,017
Ohio	5,534,813	2,585	0	0	5,537,378
Wisconsin	13,447,997	29,152	0	0	13,477,149
<b>MIDWEST AREA</b>	<b>239,590,255</b>	<b>327,174</b>	<b>-391</b>	<b>0</b>	<b>239,917,038</b>
Alabama	9,898,378	-3,698	0	0	9,894,680
Arkansas	3,516,880	12,146	0	0	3,529,026
Florida	1,535,225	-174	0	0	1,535,051
Georgia	8,770,891	-1,881	0	0	8,769,010
Kentucky	13,822,944	-3,061	0	0	13,819,883
Louisiana	1,565,041	1,154	0	0	1,566,195
Mississippi	12,958,915	19,102	0	0	12,978,017
North Carolina	2,245,708	-3,606	0	0	2,242,103
Puerto Rico	11,940	0	0	0	11,940
South Carolina	4,646,337	1,458	0	0	4,647,796
Tennessee	9,911,723	-1,640	0	0	9,910,082
Virgin Islands	0	0	0	0	0
Virginia	1,007,191	-1,234	0	0	1,005,958
<b>SOUTHEAST AREA</b>	<b>69,891,175</b>	<b>18,566</b>	<b>0</b>	<b>0</b>	<b>69,909,741</b>
Alaska	508,534	0	0	0	508,534
Idaho	18,853,795	125,683	0	0	18,979,478
Montana	26,966,657	-19,979	0	0	26,946,678
Nebraska	34,270,822	237,787	0	0	34,508,619
North Dakota	19,677,734	67,144	0	0	19,744,878
Oregon	15,613,712	76,415	0	0	15,690,127
South Dakota	13,570,794	20,593	0	0	13,591,387
Washington	23,330,906	103,016	0	0	23,433,922
Wyoming	4,002,416	44,753	0	0	4,047,169
<b>NORTHWEST AREA</b>	<b>156,795,370</b>	<b>655,422</b>	<b>0</b>	<b>0</b>	<b>157,450,793</b>
Arizona	0	0	0	0	0
California	4,698,993	-46,154	0	0	4,652,839
Colorado	37,986,906	90,976	0	0	38,077,882
Hawaii	0	0	0	0	0
Kansas	44,986,961	95,090	0	0	45,082,051
Nevada	0	0	0	0	0
New Mexico	12,572,347	35,850	0	0	12,608,197
Oklahoma	19,193,901	62,415	0	0	19,256,316
Texas	70,166,319	145,741	0	0	70,312,059
Utah	5,812,011	41,759	0	0	5,853,770
<b>SOUTHWEST AREA</b>	<b>195,417,437</b>	<b>425,677</b>	<b>0</b>	<b>0</b>	<b>195,843,115</b>
<b>TOTAL AREAS</b>	<b>665,166,947</b>	<b>1,420,066</b>	<b>-391</b>	<b>0</b>	<b>666,586,623</b>
SCS T/A	0	0	1,165,430	0	1,165,430
FS T/A	0	0	0	0	0
undistributed	0	852	0	0	852
<b>TOTAL PROGRAM</b>	<b>665,166,947</b>	<b>1,420,918</b>	<b>1,165,039</b>	<b>0</b>	<b>667,752,905</b>



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State	No. Farms A-Contracts	Acres Accepted	Contract Amount		Total
			Annual Rental	Estimated Cost-Share	
Connecticut	1	10	500	2,662	3,162
Delaware	12	297	15,792	12,627	28,419
Maine	315	13,996	695,986	897,977	1,593,963
Maryland	152	3,921	245,294	235,731	481,025
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	4	129	7,178	10,789	17,967
New York	407	16,353	922,797	763,781	1,686,578
Pennsylvania	653	23,999	1,483,183	624,233	2,107,416
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	10	205	10,235	2,790	13,025
<b>NORTHEAST AREA</b>	<b>1,634</b>	<b>58,910</b>	<b>3,380,965</b>	<b>2,550,590</b>	<b>5,931,555</b>
Illinois	3,243	116,495	8,402,326	3,566,666	11,968,992
Indiana	1,947	67,910	4,646,180	2,828,062	7,474,242
Iowa	4,790	238,673	18,682,387	6,666,092	25,348,479
Michigan	1,400	54,812	3,181,726	1,050,680	4,232,406
Minnesota	5,118	341,002	18,352,758	9,074,595	27,427,353
Missouri	5,669	392,979	25,267,848	10,696,092	35,963,940
Ohio	1,207	43,452	2,642,714	1,449,679	4,092,393
Wisconsin	5,367	173,317	11,715,158	3,019,160	14,734,318
<b>MIDWEST AREA</b>	<b>28,741</b>	<b>1,428,640</b>	<b>92,891,097</b>	<b>38,351,026</b>	<b>131,242,123</b>
Alabama	2,620	116,096	5,084,190	3,588,658	8,672,848
Arkansas	780	53,395	2,621,898	1,669,218	4,291,116
Florida	693	36,625	1,583,792	735,515	2,319,307
Georgia	4,067	176,741	7,739,486	4,902,560	12,642,046
Kentucky	1,478	74,011	4,405,643	2,055,452	6,461,095
Louisiana	457	34,679	1,537,403	698,098	2,235,501
Mississippi	2,771	146,491	6,394,441	3,444,926	9,839,367
North Carolina	1,828	40,631	1,867,941	1,309,459	3,177,400
Puerto Rico	2	152	9,060	0	9,060
South Carolina	1,886	60,342	2,630,241	1,359,055	3,989,296
Tennessee	2,291	94,466	4,966,375	3,295,143	8,261,518
Virgin Islands	0	0	0	0	0
Virginia	951	23,091	1,163,128	613,746	1,776,874
<b>SOUTHEAST AREA</b>	<b>19,632</b>	<b>856,720</b>	<b>40,003,598</b>	<b>23,671,830</b>	<b>63,675,428</b>
Alaska	7	3,990	147,499	299,335	446,834
Idaho	935	174,757	8,216,511	5,036,656	13,253,167
Montana	2,839	1,044,571	39,831,895	17,270,318	57,102,213
Nebraska	3,281	315,314	16,802,776	8,521,924	25,324,700
North Dakota	5,627	984,459	38,298,623	24,231,172	62,529,795
Oregon	477	96,329	4,740,666	2,405,426	7,146,092
South Dakota	2,794	481,846	19,389,182	10,683,304	30,072,486
Washington	1,282	283,190	14,386,248	8,428,100	22,814,348
Wyoming	295	93,128	3,647,095	2,016,570	5,663,665
<b>NORTHWEST AREA</b>	<b>17,537</b>	<b>3,477,584</b>	<b>145,460,495</b>	<b>78,892,805</b>	<b>224,353,300</b>
Arizona	0	0	0	0	0
California	119	32,509	1,600,957	467,426	2,068,383
Colorado	1,220	322,691	13,806,999	13,517,639	27,324,638
Hawaii	0	0	0	0	0
Kansas	10,142	1,054,646	55,839,611	33,778,333	89,617,944
Nevada	5	2,072	82,900	34,858	117,758
New Mexico	144	37,939	1,504,475	1,263,881	2,768,356
Oklahoma	2,765	345,116	15,728,347	9,158,011	24,886,358
Texas	5,346	1,073,694	42,825,261	43,273,236	86,098,497
Utah	247	45,944	1,787,500	780,368	2,567,868
<b>SOUTHWEST AREA</b>	<b>19,988</b>	<b>2,934,611</b>	<b>133,174,050</b>	<b>102,273,752</b>	<b>235,447,802</b>
<b>TOTAL AREAS</b>	<b>87,532</b>	<b>8,756,465</b>	<b>414,910,205</b>	<b>245,740,003</b>	<b>660,650,208</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>87,532</b>	<b>8,756,465</b>	<b>414,910,205</b>	<b>245,740,003</b>	<b>660,650,208</b>

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State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Liq. Payments	
Connecticut	0	0	0	0	0
Delaware	11,766	0	0	0	11,766
Maine	659,640	0	0	0	659,640
Maryland	216,922	-360	0	0	216,562
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	5,143	0	0	0	5,143
New York	831,962	-8,556	0	0	823,406
Pennsylvania	1,343,318	-82	0	0	1,343,235
Rhode Island	0	0	0	0	0
Vermont	1,100	0	0	0	1,100
West Virginia	10,160	0	0	0	10,160
<b>NORTHEAST AREA</b>	<b>3,080,010</b>	<b>-8,998</b>	<b>0</b>	<b>0</b>	<b>3,071,013</b>
Illinois	7,999,501	32,491	0	0	8,031,992
Indiana	4,444,693	1,226	0	0	4,445,919
Iowa	17,678,543	18,185	0	0	17,696,728
Michigan	3,049,294	-5,158	0	0	3,044,136
Minnesota	17,069,986	36,734	0	0	17,106,720
Missouri	24,778,559	102,008	0	0	24,880,567
Ohio	2,388,211	-2,220	0	0	2,385,991
Wisconsin	10,915,992	21,840	0	0	10,937,831
<b>MIDWEST AREA</b>	<b>88,324,780</b>	<b>205,105</b>	<b>0</b>	<b>0</b>	<b>88,529,885</b>
Alabama	4,773,857	-1,803	0	0	4,772,054
Arkansas	2,408,961	4,887	0	0	2,413,848
Florida	1,553,433	-1,133	0	0	1,552,300
Georgia	6,293,244	6,695	0	0	6,299,939
Kentucky	4,205,057	-4,114	0	0	4,200,942
Louisiana	1,474,315	0	0	0	1,474,315
Mississippi	6,080,305	-11,039	0	0	6,069,266
North Carolina	1,738,116	-995	0	0	1,737,121
Puerto Rico	9,060	0	0	0	9,060
South Carolina	2,493,661	2,726	0	0	2,496,387
Tennessee	4,699,187	-1,704	0	0	4,697,483
Virgin Islands	0	0	0	0	0
Virginia	1,101,088	-2,904	0	0	1,098,184
<b>SOUTHEAST AREA</b>	<b>36,830,283</b>	<b>-9,383</b>	<b>0</b>	<b>0</b>	<b>36,820,899</b>
Alaska	264,450	0	0	0	264,450
Idaho	7,812,106	50,333	0	0	7,862,440
Montana	38,291,016	75,149	0	0	38,366,165
Nebraska	16,439,737	71,382	0	0	16,511,119
North Dakota	34,975,103	134,809	0	0	35,109,912
Oregon	4,740,938	42,595	0	0	4,783,533
South Dakota	18,170,709	75,317	0	0	18,246,026
Washington	14,742,345	138,413	0	0	14,880,758
Wyoming	3,681,643	18,515	0	0	3,700,158
<b>NORTHWEST AREA</b>	<b>139,118,046</b>	<b>606,514</b>	<b>0</b>	<b>0</b>	<b>139,724,560</b>
Arizona	1,312	0	0	0	1,312
California	1,566,511	1,656	0	0	1,568,167
Colorado	13,327,348	29,838	0	0	13,357,186
Hawaii	0	0	0	0	0
Kansas	54,667,885	78,446	0	0	54,746,331
Nevada	71,060	0	0	0	71,060
New Mexico	1,512,674	3,053	0	0	1,515,727
Oklahoma	15,472,240	61,434	0	0	15,533,675
Texas	41,699,737	93,913	0	0	41,793,651
Utah	1,794,480	30,010	0	0	1,824,489
<b>SOUTHWEST AREA</b>	<b>130,113,248</b>	<b>298,350</b>	<b>0</b>	<b>0</b>	<b>130,411,598</b>
<b>TOTAL AREAS</b>	<b>397,466,367</b>	<b>1,091,588</b>	<b>0</b>	<b>0</b>	<b>398,557,955</b>
SCS T/A	0	0	746,554	0	746,554
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>397,466,367</b>	<b>1,091,588</b>	<b>746,554</b>	<b>0</b>	<b>399,304,509</b>

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State	No. Farms A-Contracts	Acres Accepted	Contract Amount		Total
			Annual Rental	Estimated Cost-Share	
Connecticut	0	0	0	0	0
Delaware	7	413	30,026	21,554	51,580
Maine	193	7,292	364,065	280,107	644,172
Maryland	205	5,132	385,811	223,674	609,485
Massachusetts	3	7	345	145	490
New Hampshire	0	0	0	0	0
New Jersey	5	132	6,314	8,389	14,703
New York	248	9,052	518,397	232,788	751,185
Pennsylvania	509	20,515	1,410,994	487,197	1,898,191
Rhode Island	0	0	0	0	0
Vermont	1	3	155	103	258
West Virginia	6	78	4,090	1,781	5,871
<b>NORTHEAST AREA</b>	<b>1,177</b>	<b>42,624</b>	<b>2,720,197</b>	<b>1,255,738</b>	<b>3,975,935</b>
Illinois	3,662	145,948	11,775,554	3,544,543	15,320,097
Indiana	2,492	93,289	7,544,248	2,948,814	10,493,062
Iowa	5,565	282,883	26,329,913	6,543,209	32,873,122
Michigan	1,204	44,665	2,677,255	592,095	3,269,350
Minnesota	3,427	220,812	11,724,704	4,359,044	16,083,748
Missouri	2,671	155,044	9,990,373	3,116,708	13,107,081
Ohio	1,392	57,520	4,360,889	1,388,881	5,749,770
Wisconsin	3,186	107,548	7,460,115	1,382,361	8,842,476
<b>MIDWEST AREA</b>	<b>23,599</b>	<b>1,107,709</b>	<b>81,863,051</b>	<b>23,875,655</b>	<b>105,738,706</b>
Alabama	1,556	72,993	3,253,025	1,885,089	5,138,114
Arkansas	643	48,964	2,430,910	1,167,726	3,598,636
Florida	440	24,479	1,038,238	423,389	1,461,627
Georgia	3,094	159,959	7,107,398	3,363,555	10,470,953
Kentucky	793	40,258	2,435,548	800,821	3,236,369
Louisiana	361	27,642	1,236,970	579,157	1,816,127
Mississippi	1,971	105,212	4,650,388	1,808,721	6,459,109
North Carolina	1,292	23,058	1,074,670	488,806	1,563,476
Puerto Rico	1	60	3,600	1,725	5,325
South Carolina	1,219	47,454	2,106,623	795,868	2,902,491
Tennessee	1,424	57,468	3,038,456	16,739,897	19,778,353
Virgin Islands	0	0	0	0	0
Virginia	673	16,498	961,354	370,806	1,332,160
<b>SOUTHEAST AREA</b>	<b>13,467</b>	<b>624,045</b>	<b>29,337,180</b>	<b>28,425,560</b>	<b>57,762,740</b>
Alaska	1	138	4,833	4,368	9,201
Idaho	468	93,116	4,410,084	2,070,175	6,480,259
Montana	1,567	521,287	19,825,010	6,826,788	26,651,798
Nebraska	2,326	191,269	10,920,906	3,602,317	14,523,223
North Dakota	5,003	794,086	30,476,657	14,897,940	45,374,597
Oregon	151	22,192	1,115,443	468,824	1,584,267
South Dakota	3,082	503,290	20,912,896	7,413,245	28,326,141
Washington	438	73,708	3,818,395	1,760,078	5,578,473
Wyoming	79	22,401	875,148	338,210	1,213,358
<b>NORTHWEST AREA</b>	<b>13,115</b>	<b>2,221,487</b>	<b>92,359,372</b>	<b>37,381,945</b>	<b>129,741,317</b>
Arizona	0	0	0	0	0
California	67	18,940	943,097	173,395	1,116,492
Colorado	610	158,965	6,781,046	4,676,355	11,457,401
Hawaii	0	0	0	0	0
Kansas	5,362	427,889	22,933,802	11,333,542	34,267,344
Nevada	2	324	12,960	3,682	16,642
New Mexico	62	14,880	589,330	321,002	910,332
Oklahoma	1,287	148,640	6,448,618	2,964,039	9,412,657
Texas	3,107	575,591	23,010,433	16,739,897	39,750,330
Utah	95	13,555	546,335	186,192	732,527
<b>SOUTHWEST AREA</b>	<b>10,592</b>	<b>1,358,784</b>	<b>61,265,621</b>	<b>36,398,104</b>	<b>97,663,725</b>
<b>TOTAL AREAS</b>	<b>61,950</b>	<b>5,354,649</b>	<b>267,545,421</b>	<b>127,337,002</b>	<b>394,882,423</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>61,950</b>	<b>5,354,649</b>	<b>267,545,421</b>	<b>127,337,002</b>	<b>394,882,423</b>

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State	Payments		Technical Assistance	Liq. Payments	Total
	Cash Rental	Cost-Share			
Connecticut	0	0	0	0	0
Delaware	29,892	0	0	0	29,892
Maine	323,736	0	0	0	323,736
Maryland	360,629	-477	0	0	360,152
Massachusetts	345	0	0	0	345
New Hampshire	0	0	0	0	0
New Jersey	6,312	285	0	0	6,597
New York	465,070	-700	0	0	465,170
Pennsylvania	1,292,176	5,033	0	0	1,297,209
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	3,415	0	0	0	3,415
<b>NORTHEAST AREA</b>	<b>2,482,375</b>	<b>4,141</b>	<b>0</b>	<b>0</b>	<b>2,486,516</b>
Illinois	11,232,500	47,837	0	0	11,280,337
Indiana	7,523,708	23,368	0	0	7,547,077
Iowa	26,140,247	18,988	0	0	26,159,235
Michigan	2,803,608	1,294	0	0	2,804,901
Minnesota	10,357,060	20,886	0	0	10,377,946
Missouri	9,648,579	31,185	0	0	9,679,764
Ohio	4,233,918	22,363	0	0	4,256,281
Wisconsin	6,072,135	29,478	0	0	6,901,613
<b>MIDWEST AREA</b>	<b>78,811,754</b>	<b>195,400</b>	<b>0</b>	<b>0</b>	<b>79,007,154</b>
Alabama	3,160,620	7,784	0	0	3,168,304
Arkansas	2,184,888	16,696	0	0	2,201,584
Florida	953,438	37,178	0	0	990,616
Georgia	5,367,691	7,868	0	0	5,375,559
Kentucky	2,235,783	-692	0	0	2,235,091
Louisiana	1,263,648	22,387	0	0	1,286,035
Mississippi	4,461,609	28,791	0	0	4,490,400
North Carolina	992,068	-3,947	0	0	988,121
Puerto Rico	3,600	0	0	0	3,600
South Carolina	2,037,889	5,491	0	0	2,043,380
Tennessee	2,852,245	-87	0	0	2,852,158
Virgin Islands	0	0	0	0	0
Virginia	889,650	-788	0	0	888,902
<b>SOUTHEAST AREA</b>	<b>26,403,068</b>	<b>120,682</b>	<b>0</b>	<b>0</b>	<b>26,523,750</b>
Alaska	7,572	0	0	0	7,572
Idaho	3,918,154	57,910	0	0	3,976,064
Montana	19,245,201	72,311	0	0	19,317,513
Nebraska	10,341,156	74,356	0	0	10,415,513
North Dakota	25,206,268	174,487	0	0	25,380,754
Oregon	1,148,981	17,602	0	0	1,166,583
South Dakota	16,431,233	77,317	0	0	16,508,551
Washington	3,690,426	80,977	0	0	3,771,403
Wyoming	849,939	3,075	0	0	853,014
<b>NORTHWEST AREA</b>	<b>80,838,931</b>	<b>558,036</b>	<b>0</b>	<b>0</b>	<b>81,396,967</b>
Arizona	0	0	0	0	0
California	893,457	2,158	0	0	895,615
Colorado	6,432,602	29,560	0	0	6,462,162
Hawaii	0	0	0	0	0
Kansas	22,063,189	64,553	0	0	22,127,742
Nevada	12,960	0	0	0	12,960
New Mexico	591,703	10,261	0	0	601,964
Oklahoma	6,178,963	23,243	0	0	6,202,206
Texas	22,240,151	127,815	0	0	22,367,966
Utah	529,530	9,130	0	0	538,660
<b>SOUTHWEST AREA</b>	<b>58,962,556</b>	<b>266,719</b>	<b>0</b>	<b>0</b>	<b>59,229,275</b>
<b>TOTAL AREAS</b>	<b>247,498,684</b>	<b>1,144,978</b>	<b>0</b>	<b>0</b>	<b>248,643,662</b>
SCS T/A	0	0	456,523	0	456,523
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>247,498,684</b>	<b>1,144,978</b>	<b>456,523</b>	<b>0</b>	<b>249,100,186</b>



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State	No. Farms A Contracts	Acres Accepted	Contract Amount		Total
			Annual Rental	Estimated Cost-Share	
Connecticut	0	119	0	0	0
Delaware	6	1,426	9,216	4,230	13,446
Maine	28	4,246	71,297	48,115	119,412
Maryland	109	0	352,423	184,052	536,475
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	7	165	9,798	4,532	14,330
New York	88	3,463	195,290	109,680	304,970
Pennsylvania	270	12,095	850,840	280,893	1,131,733
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	2	14	858	175	1,033
<b>NORTHEAST AREA</b>	<b>510</b>	<b>21,528</b>	<b>1,489,722</b>	<b>631,677</b>	<b>2,121,399</b>
Illinois	2,300	98,025	8,518,597	2,823,477	11,342,074
Indiana	1,213	54,209	4,435,556	1,991,416	6,426,972
Iowa	3,645	194,318	18,539,239	5,304,574	23,843,813
Michigan	575	24,505	1,584,029	362,216	1,946,245
Minnesota	1,914	125,970	6,783,306	2,912,583	9,695,889
Missouri	1,146	73,439	4,754,359	1,716,611	6,470,970
Ohio	1,035	48,932	3,873,159	1,485,455	5,358,614
Wisconsin	2,493	89,947	6,220,411	1,243,293	7,463,704
<b>MIDWEST AREA</b>	<b>14,321</b>	<b>709,345</b>	<b>54,708,656</b>	<b>17,839,625</b>	<b>72,548,281</b>
Alabama	390	19,664	880,991	662,814	1,543,805
Arkansas	283	28,879	1,437,576	820,201	2,257,777
Florida	181	10,175	448,332	238,286	686,618
Georgia	1,161	63,779	2,861,358	1,797,780	4,659,138
Kentucky	333	18,673	1,134,516	474,929	1,609,445
Louisiana	180	25,085	1,125,582	658,818	1,784,400
Mississippi	966	79,078	3,528,092	1,868,415	5,396,507
North Carolina	458	11,229	529,378	305,385	834,763
Puerto Rico	0	0	0	0	0
South Carolina	569	23,407	1,046,992	496,355	1,543,347
Tennessee	461	23,670	1,275,601	727,236	2,002,837
Virgin Islands	0	0	0	0	0
Virginia	236	7,535	465,851	216,402	682,253
<b>SOUTHEAST AREA</b>	<b>5,218</b>	<b>311,174</b>	<b>14,734,269</b>	<b>8,266,621</b>	<b>23,000,890</b>
Alaska	4	674	24,675	44,590	69,265
Idaho	250	45,789	2,211,753	1,086,065	3,297,818
Montana	896	335,045	12,598,388	5,145,929	17,744,317
Nebraska	1,621	146,834	8,408,833	3,475,289	11,884,122
North Dakota	3,813	727,385	28,380,904	15,374,471	43,755,375
Oregon	50	7,877	400,384	186,676	587,060
South Dakota	3,308	691,756	30,532,964	11,626,277	42,159,241
Washington	273	80,367	4,094,330	2,250,836	6,345,166
Wyoming	79	25,658	962,148	321,014	1,283,162
<b>NORTHWEST AREA</b>	<b>10,294</b>	<b>2,061,385</b>	<b>87,614,379</b>	<b>39,511,147</b>	<b>127,125,526</b>
Arizona	0	0	0	0	0
California	22	7,280	363,398	28,257	391,655
Colorado	587	160,278	6,948,451	5,474,226	12,422,677
Hawaii	0	0	0	0	0
Kansas	4,496	401,168	21,738,897	13,018,831	34,757,728
Nevada	3	727	29,080	13,125	42,205
New Mexico	11	2,383	94,954	73,194	168,148
Oklahoma	881	117,028	5,041,177	2,780,066	7,821,243
Texas	1,617	303,611	12,140,447	10,258,914	22,399,361
Utah	21	2,866	117,319	50,317	167,636
<b>SOUTHWEST AREA</b>	<b>7,638</b>	<b>995,341</b>	<b>46,473,723</b>	<b>31,696,930</b>	<b>78,170,653</b>
<b>TOTAL AREAS</b>	<b>37,981</b>	<b>4,098,773</b>	<b>205,020,749</b>	<b>97,946,000</b>	<b>302,966,749</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>37,981</b>	<b>4,098,773</b>	<b>205,020,749</b>	<b>97,946,000</b>	<b>302,966,749</b>

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State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Liq. Payments	
Connecticut	0	0	0	0	0
Delaware	9,217	0	0	0	9,217
Maine	70,994	405	0	0	71,399
Maryland	348,345	0	0	0	348,345
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	9,798	0	0	0	9,798
New York	172,439	1,391	0	0	173,830
Pennsylvania	811,510	813	0	0	812,323
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	858	0	0	0	858
<b>NORTHEAST AREA</b>	<b>1,423,161</b>	<b>2,609</b>	<b>0</b>	<b>0</b>	<b>1,425,770</b>
Illinois	8,003,677	49,278	0	0	8,052,955
Indiana	4,304,159	11,331	0	0	4,315,490
Iowa	17,722,621	19,724	0	0	17,742,345
Michigan	1,546,312	1,553	0	0	1,547,865
Minnesota	5,680,102	27,499	0	0	5,707,601
Missouri	4,569,645	22,446	0	0	4,592,091
Ohio	3,761,013	16,491	0	0	3,777,505
Wisconsin	5,731,337	8,221	0	0	5,739,558
<b>MIDWEST AREA</b>	<b>51,318,885</b>	<b>156,543</b>	<b>0</b>	<b>0</b>	<b>51,475,408</b>
Alabama	813,274	6,317	0	0	819,591
Arkansas	1,381,421	91,770	0	0	1,473,191
Florida	443,302	0	0	0	443,302
Georgia	2,441,692	6,015	0	0	2,447,707
Kentucky	1,092,401	-1,062	0	0	1,091,339
Louisiana	1,146,684	30,328	0	0	1,177,012
Mississippi	3,334,887	14,050	0	0	3,348,938
North Carolina	531,968	2,344	0	0	534,312
Puerto Rico	0	797	0	0	797
South Carolina	975,858	9,218	0	0	985,076
Tennessee	1,198,765	2,301	0	0	1,201,066
Virgin Islands	0	0	0	0	0
Virginia	440,289	2,804	0	0	443,093
<b>SOUTHEAST AREA</b>	<b>13,800,540</b>	<b>164,883</b>	<b>0</b>	<b>0</b>	<b>13,965,423</b>
Alaska	0	0	0	0	0
Idaho	2,150,080	17,863	0	0	2,167,943
Montana	12,626,563	10,534	0	0	12,637,096
Nebraska	8,101,126	-7,996	0	0	8,093,129
North Dakota	21,749,519	139,120	0	0	21,888,639
Oregon	442,742	2,138	0	0	444,880
South Dakota	19,005,996	106,351	0	0	19,112,348
Washington	4,010,175	51,618	0	0	4,061,793
Wyoming	918,851	18,036	0	0	936,887
<b>NORTHWEST AREA</b>	<b>69,005,052</b>	<b>337,663</b>	<b>0</b>	<b>0</b>	<b>69,342,715</b>
Arizona	0	0	0	0	0
California	335,267	0	0	0	335,267
Colorado	6,782,614	40,549	0	0	6,823,163
Hawaii	0	0	0	0	0
Kansas	21,473,035	112,574	0	0	21,585,610
Nevada	41,688	0	0	0	41,688
New Mexico	124,419	556	0	0	124,975
Oklahoma	4,961,454	25,672	0	0	4,987,126
Texas	11,712,162	119,691	0	0	11,831,852
Utah	107,928	0	0	0	107,928
<b>SOUTHWEST AREA</b>	<b>45,538,566</b>	<b>299,043</b>	<b>0</b>	<b>0</b>	<b>45,837,609</b>
<b>TOTAL AREAS</b>	<b>181,086,184</b>	<b>960,741</b>	<b>0</b>	<b>0</b>	<b>182,046,925</b>
SCS T/A	0	0	349,451	0	349,451
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>181,086,184</b>	<b>960,741</b>	<b>349,451</b>	<b>0</b>	<b>182,396,375</b>

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State	No. Farms A Contracts	Acres Accepted	Contract Amount		Total
			Annual Rental	Estimated Cost-Share	
Connecticut	0	0	0	0	0
Delaware	1	11	650	363	1,013
Maine	9	278	13,833	9,174	23,007
Maryland	61	1,575	117,647	51,975	169,622
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New York	57	3,038	130,079	100,254	230,333
Pennsylvania	60	1,952	112,123	64,416	176,539
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	0	0	0	0	0
<b>NORTHEAST AREA</b>	<b>188</b>	<b>6,854</b>	<b>374,332</b>	<b>226,182</b>	<b>600,514</b>
Illinois	863	28,403	2,123,789	937,299	3,061,088
Indiana	476	14,917	1,132,028	492,261	1,624,289
Iowa	929	37,222	3,085,669	1,228,326	4,313,995
Michigan	414	17,792	1,007,401	587,136	1,594,537
Minnesota	418	20,230	966,025	667,590	1,633,615
Missouri	521	32,867	2,053,103	1,084,611	3,137,714
Ohio	504	19,267	1,370,074	635,811	2,005,885
Wisconsin	978	31,770	1,934,025	1,048,410	2,982,435
<b>MIDWEST AREA</b>	<b>5,103</b>	<b>202,468</b>	<b>13,672,114</b>	<b>6,681,444</b>	<b>20,353,558</b>
Alabama	343	16,487	731,214	544,071	1,275,285
Arkansas	103	9,144	431,194	301,752	732,946
Florida	66	2,338	95,989	77,154	173,143
Georgia	237	11,395	492,071	376,035	868,106
Kentucky	161	6,761	395,201	223,113	618,314
Louisiana	74	4,782	206,957	157,806	364,763
Mississippi	548	33,070	1,450,514	1,091,310	2,541,824
North Carolina	168	3,103	137,626	102,399	240,025
Puerto Rico	1	15	1,125	495	1,620
South Carolina	77	2,563	100,304	84,579	184,883
Tennessee	280	10,856	550,071	358,248	908,319
Virgin Islands	0	0	0	0	0
Virginia	80	1,399	77,999	46,167	124,166
<b>SOUTHEAST AREA</b>	<b>2,138</b>	<b>101,913</b>	<b>4,670,265</b>	<b>3,363,129</b>	<b>8,033,394</b>
Alaska	1	647	23,893	21,351	45,244
Idaho	82	19,551	880,124	645,183	1,525,307
Montana	132	49,167	1,736,240	1,622,511	3,358,751
Nebraska	290	10,521	645,647	347,193	992,840
North Dakota	83	13,799	463,578	455,367	918,945
Oregon	10	2,736	125,063	90,288	215,351
South Dakota	88	4,210	162,421	138,930	301,351
Washington	60	8,236	429,393	271,788	701,181
Wyoming	0	0	0	0	0
<b>NORTHWEST AREA</b>	<b>746</b>	<b>108,867</b>	<b>4,466,359</b>	<b>3,592,611</b>	<b>8,058,970</b>
Arizona	0	0	0	0	0
California	0	0	0	0	0
Colorado	16	1,556	56,718	51,348	108,066
Hawaii	0	0	0	0	0
Kansas	135	8,812	459,392	290,796	750,188
Nevada	0	0	0	0	0
New Mexico	1	29	941	957	1,898
Oklahoma	49	5,647	237,958	186,351	424,309
Texas	225	39,029	1,561,467	1,287,957	2,849,424
Utah	0	0	0	0	0
<b>SOUTHWEST AREA</b>	<b>426</b>	<b>55,073</b>	<b>2,316,476</b>	<b>1,817,409</b>	<b>4,133,885</b>
<b>TOTAL AREAS</b>	<b>8,601</b>	<b>475,175</b>	<b>25,499,546</b>	<b>15,680,775</b>	<b>41,180,321</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>8,601</b>	<b>475,175</b>	<b>25,499,546</b>	<b>15,680,775</b>	<b>41,180,321</b>

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State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Liq. Payments	
Connecticut	0	0	0	0	0
Delaware	650	0	0	0	650
Maine	11,782	0	0	0	11,782
Maryland	115,589	25,560	0	0	141,149
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New York	123,893	1,054	0	0	124,946
Pennsylvania	114,131	515	0	0	114,646
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	0	0	0	0	0
<b>NORTHEAST AREA</b>	<b>366,045</b>	<b>27,129</b>	<b>0</b>	<b>0</b>	<b>393,173</b>
Illinois	2,082,248	74,570	3,957	0	2,160,775
Indiana	1,115,873	44,043	0	0	1,159,917
Iowa	2,932,559	41,660	1,334	0	2,975,552
Michigan	1,067,134	18,818	0	0	1,085,952
Minnesota	928,287	29,723	1,000	0	959,010
Missouri	2,041,695	113,929	0	0	2,155,624
Ohio	1,387,592	46,079	0	0	1,433,671
Wisconsin	1,853,457	106,617	371	0	1,960,444
<b>MIDWEST AREA</b>	<b>13,408,845</b>	<b>475,439</b>	<b>6,662</b>	<b>0</b>	<b>13,890,946</b>
Alabama	717,241	29,334	0	0	746,575
Arkansas	447,897	17,533	0	0	465,430
Florida	95,554	2,160	0	0	97,714
Georgia	481,167	30,562	0	0	511,729
Kentucky	433,439	1,919	0	0	435,358
Louisiana	205,368	36,799	350	0	242,517
Mississippi	1,398,828	62,795	0	0	1,461,622
North Carolina	132,484	109	0	0	132,592
Puerto Rico	1,125	735	0	0	1,860
South Carolina	100,015	14,990	0	0	115,005
Tennessee	535,678	14,066	0	0	549,744
Virgin Islands	0	0	0	0	0
Virginia	77,859	2,333	0	0	80,192
<b>SOUTHEAST AREA</b>	<b>4,626,654</b>	<b>213,334</b>	<b>350</b>	<b>0</b>	<b>4,840,338</b>
Alaska	30,893	0	0	0	30,893
Idaho	872,930	14,812	598	0	888,340
Montana	1,689,930	38,228	0	0	1,728,158
Nebraska	586,749	21,416	868	0	609,033
North Dakota	424,843	8,278	0	0	433,121
Oregon	130,270	13,088	0	0	143,358
South Dakota	149,354	11,251	-9	0	160,596
Washington	425,825	59,785	0	0	485,610
Wyoming	0	16,756	0	0	16,756
<b>NORTHWEST AREA</b>	<b>4,310,793</b>	<b>183,614</b>	<b>1,458</b>	<b>0</b>	<b>4,495,864</b>
Arizona	0	0	0	0	0
California	0	0	0	0	0
Colorado	56,308	1,041	555	0	57,904
Hawaii	47,360	0	0	0	47,360
Kansas	444,584	29,015	0	0	473,599
Nevada	0	0	0	0	0
New Mexico	921	238	0	0	1,159
Oklahoma	222,800	15,863	0	0	238,663
Texas	1,664,951	117,132	0	0	1,782,083
Utah	0	0	0	0	0
<b>SOUTHWEST AREA</b>	<b>2,436,924</b>	<b>163,289</b>	<b>555</b>	<b>0</b>	<b>2,600,768</b>
<b>TOTAL AREAS</b>	<b>25,149,260</b>	<b>1,062,803</b>	<b>9,025 a/</b>	<b>0</b>	<b>26,221,088</b>
SCS T/A	0	0	40,512	0	40,512
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>25,149,260</b>	<b>1,062,803</b>	<b>49,537</b>	<b>0</b>	<b>26,261,601</b>

a/ Represents technical assistance for establishment of long term easements.



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State	No. Farms A Contracts	Acres Accepted	Contract Amount		Total
			Annual Rental	Estimated Cost-Share	
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Maine	14	716	38,731	23,628	62,359
Maryland	53	1,808	147,774	59,664	207,438
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New York	73	3,213	148,693	106,029	254,722
Pennsylvania	93	3,722	225,305	122,826	348,131
Rhode Island	0	0	0	0	0
Vermont	1	6	300	198	498
West Virginia	0	0	0	0	0
<b>NORTHEAST AREA</b>	<b>234</b>	<b>9,465</b>	<b>560,803</b>	<b>312,345</b>	<b>873,148</b>
Illinois	1,729	72,505	5,916,869	2,392,665	8,309,534
Indiana	849	40,551	3,246,658	1,338,183	4,584,841
Iowa	1,895	100,490	8,989,896	3,316,170	12,306,066
Michigan	831	41,822	2,478,661	1,380,126	3,858,787
Minnesota	737	48,487	2,569,667	1,600,071	4,169,738
Missouri	1,202	87,992	5,758,713	2,903,736	8,662,449
Ohio	1,018	51,102	4,001,611	1,686,366	5,687,977
Wisconsin	1,434	56,459	3,507,944	1,863,147	5,371,091
<b>MIDWEST AREA</b>	<b>9,695</b>	<b>499,408</b>	<b>36,470,019</b>	<b>16,480,464</b>	<b>52,950,483</b>
Alabama	276	14,601	668,292	481,833	1,150,125
Arkansas	156	11,462	540,985	378,246	919,231
Florida	70	3,971	161,512	131,043	292,555
Georgia	276	14,476	616,586	477,708	1,094,294
Kentucky	189	10,659	671,311	351,747	1,023,058
Louisiana	67	4,524	207,104	149,292	356,396
Mississippi	542	40,103	1,876,984	1,323,399	3,200,383
North Carolina	182	5,621	254,832	185,483	440,325
Puerto Rico	0	0	0	0	0
South Carolina	113	4,042	159,742	133,386	293,128
Tennessee	327	18,028	940,218	594,924	1,535,142
Virgin Islands	0	0	0	0	0
Virginia	84	1,886	100,489	62,238	162,727
<b>SOUTHEAST AREA</b>	<b>2,282</b>	<b>129,373</b>	<b>6,198,055</b>	<b>4,269,309</b>	<b>10,467,364</b>
Alaska	0	0	0	0	0
Idaho	175	35,521	1,764,721	1,172,193	2,936,914
Montana	109	45,731	1,535,644	1,509,123	3,044,767
Nebraska	380	36,301	2,036,763	1,197,933	3,234,696
North Dakota	146	18,990	636,640	626,670	1,263,310
Oregon	28	8,126	395,531	268,158	663,689
South Dakota	125	10,828	440,294	357,324	797,618
Washington	171	33,563	1,890,086	1,107,579	2,997,665
Wyoming	0	0	0	0	0
<b>NORTHWEST AREA</b>	<b>1,134</b>	<b>189,060</b>	<b>8,699,679</b>	<b>6,238,980</b>	<b>14,938,659</b>
Arizona	0	0	0	0	0
California	15	4,068	197,178	134,244	331,422
Colorado	51	14,157	517,226	467,181	984,407
Hawaii	0	0	0	0	0
Kansas	574	40,867	2,187,921	1,348,611	3,536,532
Nevada	0	0	0	0	0
New Mexico	3	1,881	63,300	62,073	125,373
Oklahoma	194	22,102	941,575	729,366	1,670,941
Texas	540	86,577	3,387,896	2,856,942	6,244,838
Utah	8	1,253	40,975	41,349	82,324
<b>SOUTHWEST AREA</b>	<b>1,385</b>	<b>170,905</b>	<b>7,336,071</b>	<b>5,639,766</b>	<b>12,975,837</b>
<b>TOTAL AREAS</b>	<b>14,730</b>	<b>998,211</b>	<b>59,264,627</b>	<b>32,940,864</b>	<b>92,205,491</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>14,730</b>	<b>998,211</b>	<b>59,264,627</b>	<b>32,940,864</b>	<b>92,205,491</b>

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State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Liq. Payments	
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Maine	-3,310	0	0	0	-3,310
Maryland	143,026	24,660	0	0	167,686
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New York	148,625	28,941	0	0	177,566
Pennsylvania	228,770	11,864	0	0	240,634
Rhode Island	0	0	0	0	0
Vermont	300	0	0	0	300
West Virginia	0	0	0	0	0
<b>NORTHEAST AREA</b>	<b>517,411</b>	<b>65,465</b>	<b>0</b>	<b>0</b>	<b>582,875</b>
Illinois	5,804,073	533,087	3,248	0	6,340,408
Indiana	3,178,895	240,791	78	0	3,419,764
Iowa	8,478,928	321,972	3,571	0	8,804,472
Michigan	2,631,791	130,052	2,558	0	2,764,400
Minnesota	2,544,184	293,064	1,927	0	2,839,175
Missouri	4,699,544	684,837	679	0	5,385,059
Ohio	3,927,880	307,932	-172	0	4,235,640
Wisconsin	1,226,946	250,868	0	0	1,477,814
<b>MIDWEST AREA</b>	<b>32,482,240</b>	<b>2,762,603</b>	<b>11,888</b>	<b>0</b>	<b>35,246,732</b>
Alabama	682,397	157,074	0	0	839,471
Arkansas	524,450	143,153	0	0	667,604
Florida	162,190	5,013	0	0	167,203
Georgia	620,899	84,100	0	0	704,999
Kentucky	654,288	51,808	0	0	706,096
Louisiana	214,841	43,928	350	0	259,119
Mississippi	1,859,293	247,838	0	0	2,107,130
North Carolina	248,924	37,997	0	0	286,920
Puerto Rico	0	0	0	0	0
South Carolina	159,595	52,619	939	0	213,152
Tennessee	900,826	286,387	0	0	1,187,212
Virgin Islands	0	0	0	0	0
Virginia	100,068	10,438	0	0	110,506
<b>SOUTHEAST AREA</b>	<b>6,127,770</b>	<b>1,120,354</b>	<b>1,289</b>	<b>0</b>	<b>7,249,413</b>
Alaska	0	0	0	0	0
Idaho	1,619,990	72,847	0	0	1,692,837
Montana	1,073,784	116,702	531	0	1,191,017
Nebraska	2,026,040	164,771	0	0	2,190,812
North Dakota	497,207	69,189	553	0	566,950
Oregon	356,089	41,336	0	0	397,425
South Dakota	-715,753	73,745	999	0	-641,009
Washington	1,888,141	316,840	0	0	2,204,981
Wyoming	-4,941	34,999	0	0	30,058
<b>NORTHWEST AREA</b>	<b>6,740,559</b>	<b>890,429</b>	<b>2,083</b>	<b>0</b>	<b>7,633,070</b>
Arizona	0	0	0	0	0
California	196,797	13,277	15,975	0	226,048
Colorado	517,171	199,173	0	0	716,344
Hawaii	0	0	0	0	0
Kansas	2,152,614	426,923	-75	0	2,579,462
Nevada	0	0	0	0	0
New Mexico	63,287	8,593	0	0	71,881
Oklahoma	936,404	126,726	485	0	1,063,615
Texas	3,463,319	645,814	0	0	4,109,134
Utah	38,023	5,372	0	0	43,395
<b>SOUTHWEST AREA</b>	<b>7,367,615</b>	<b>1,425,879</b>	<b>16,385</b>	<b>0</b>	<b>8,809,878</b>
<b>TOTAL AREAS</b>	<b>53,245,595</b>	<b>6,264,730</b>	<b>31,644 a/</b>	<b>0</b>	<b>59,541,969</b>
SCS T/A	0	0	85,105	0	85,105
FS T/A	0	0	0	0	0
undistributed	56,530	0	0	-827,371	56,530
<b>TOTAL PROGRAM</b>	<b>53,302,125</b>	<b>6,264,730</b>	<b>116,749</b>	<b>-827,371</b>	<b>59,683,604</b>

a/ Represents technical assistance for establishment of long term easements.

Crop Year 1993 Conservation Reserve Program  
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State	No. Farms A Contracts	Acres Accepted	Contract Amount		Total
			Annual Rental	Estimated Cost-Share	
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Maine	7	273	14,056	9,009	23,065
Maryland	43	950	75,639	31,350	106,989
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	2	62	2,849	2,046	4,895
New York	99	3,640	164,924	120,120	285,044
Pennsylvania	79	2,939	169,528	96,987	266,515
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	1	8	410	264	674
<b>NORTHEAST AREA</b>	<b>231</b>	<b>7,872</b>	<b>427,406</b>	<b>259,776</b>	<b>687,182</b>
Illinois	2,183	77,438	6,811,394	2,555,454	9,366,848
Indiana	1,092	42,451	3,525,455	1,400,883	4,926,338
Iowa	2,177	116,963	11,469,528	3,859,779	15,329,307
Michigan	1,864	76,934	4,606,278	2,538,822	7,145,100
Minnesota	669	29,565	1,778,754	975,645	2,754,399
Missouri	1,524	101,563	7,099,150	3,351,579	10,450,729
Ohio	1,150	52,590	4,270,599	1,735,470	6,006,069
Wisconsin	1,528	54,241	3,582,238	1,789,853	5,372,191
<b>MIDWEST AREA</b>	<b>12,187</b>	<b>551,745</b>	<b>43,143,396</b>	<b>18,207,585</b>	<b>61,350,981</b>
Alabama	451	22,573	1,078,376	744,909	1,823,285
Arkansas	222	14,046	652,035	463,518	1,115,553
Florida	133	5,538	211,795	182,754	394,549
Georgia	411	17,431	781,500	575,223	1,356,723
Kentucky	355	17,098	1,137,398	564,234	1,701,632
Louisiana	73	4,358	205,613	143,814	349,427
Mississippi	647	41,755	2,026,355	1,377,915	3,404,270
North Carolina	256	5,243	234,912	173,019	407,931
Puerto Rico	0	0	0	0	0
South Carolina	193	5,952	223,588	196,416	420,004
Tennessee	414	17,388	947,093	573,804	1,520,897
Virgin Islands	0	0	0	0	0
Virginia	100	2,333	112,679	76,989	189,668
<b>SOUTHEAST AREA</b>	<b>3,263</b>	<b>153,715</b>	<b>7,611,344</b>	<b>5,072,595</b>	<b>12,683,939</b>
Alaska	0	0	0	0	0
Idaho	213	30,926	1,489,049	1,020,558	2,509,607
Montana	181	39,276	1,060,199	1,296,108	2,356,307
Nebraska	456	29,672	1,885,105	979,176	2,864,281
North Dakota	119	10,581	343,818	349,173	692,991
Oregon	31	2,754	136,628	90,882	227,510
South Dakota	147	20,660	647,061	681,780	1,328,841
Washington	256	29,909	1,704,096	986,997	2,691,093
Wyoming	2	201	6,610	6,633	13,243
<b>NORTHWEST AREA</b>	<b>1,405</b>	<b>163,979</b>	<b>7,172,566</b>	<b>5,411,307</b>	<b>12,583,873</b>
Arizona	0	0	0	0	0
California	3	377	16,495	12,441	28,936
Colorado	57	9,636	338,699	317,988	656,687
Hawaii	0	0	0	0	0
Kansas	484	26,397	1,391,679	871,101	2,262,780
Nevada	0	0	0	0	0
New Mexico	3	506	15,872	16,698	32,570
Oklahoma	113	9,305	382,477	307,065	689,542
Texas	729	103,504	4,178,942	3,415,632	7,594,574
Utah	7	407	16,200	13,431	29,631
<b>SOUTHWEST AREA</b>	<b>1,396</b>	<b>150,132</b>	<b>6,350,364</b>	<b>4,954,356</b>	<b>11,304,720</b>
<b>TOTAL AREAS</b>	<b>18,482</b>	<b>1,027,443</b>	<b>64,705,076</b>	<b>33,905,619</b>	<b>98,610,695</b>
SCS T/A	0	0	0	0	0
FS T/A	0	0	0	0	0
undistributed	0	0	0	0	0
<b>TOTAL PROGRAM</b>	<b>18,482</b>	<b>1,027,443</b>	<b>64,705,076</b>	<b>33,905,619</b>	<b>98,610,695</b>

Crop Year 1993 Conservation Reserve Program  
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State	Payments				Total
	Cash Rental	Cost-Share	Technical Assistance	Liq. Payments	
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Maine	0	0	0	0	0
Maryland	0	60,366	0	0	60,366
Massachusetts	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	4,280	0	0	4,280
New York	0	48,618	0	0	48,618
Pennsylvania	0	20,538	0	0	20,538
Rhode Island	0	0	0	0	0
Vermont	0	0	0	0	0
West Virginia	0	0	0	0	0
NORTHEAST AREA	0	133,802	0	0	133,802
Illinois	0	1,578,499	0	0	1,578,499
Indiana	0	1,276,955	0	0	1,276,955
Iowa	0	2,172,098	0	0	2,172,098
Michigan	0	1,041,338	0	0	1,041,338
Minnesota	0	581,883	0	0	581,883
Missouri	0	1,290,276	0	0	1,290,276
Ohio	0	1,654,694	0	0	1,654,694
Wisconsin	0	971,464	0	0	971,464
MIDWEST AREA	0	10,567,207	0	0	10,567,207
Alabama	0	656,724	0	0	656,724
Arkansas	0	469,808	0	0	469,808
Florida	0	180,096	0	0	180,096
Georgia	0	541,674	0	0	541,674
Kentucky	0	337,707	0	0	337,707
Louisiana	0	131,083	0	0	131,083
Mississippi	0	1,194,958	0	0	1,194,958
North Carolina	0	165,805	0	0	165,805
Puerto Rico	0	0	0	0	0
South Carolina	0	151,273	0	0	151,273
Tennessee	0	522,557	0	0	522,557
Virgin Islands	0	0	0	0	0
Virginia	0	37,534	0	0	37,534
SOUTHEAST AREA	0	4,389,218	0	0	4,389,218
Alaska	0	0	0	0	0
Idaho	0	606,472	0	0	606,472
Montana	0	439,592	0	0	439,592
Nebraska	0	499,986	0	0	499,986
North Dakota	0	150,281	0	0	150,281
Oregon	0	112,109	0	0	112,109
South Dakota	0	237,260	0	0	237,260
Washington	0	575,445	0	0	575,445
Wyoming	0	11,307	0	0	11,307
NORTHWEST AREA	0	2,632,452	0	0	2,632,452
Arizona	0	0	0	0	0
California	0	2,645	0	0	2,645
Colorado	0	114,392	0	0	114,392
Hawaii	0	0	0	0	0
Kansas	0	331,857	0	0	331,857
Nevada	0	0	0	0	0
New Mexico	0	8,260	0	0	8,260
Oklahoma	0	152,645	0	0	152,645
Texas	0	1,478,359	0	0	1,478,359
Utah	0	8,185	0	0	8,185
SOUTHWEST AREA	0	2,096,342	0	0	2,096,342
TOTAL AREAS	0	19,819,021	0	0	19,819,021
SCS T/A	0	0	2,147,741	0	2,147,741
FS T/A	0	0	1,142,186	0	1,142,186
undistributed	0	0	0	0	0
TOTAL PROGRAM	0	19,819,021	3,289,927	0	23,108,948



Acres Enrolled, Base Acres Reduction, Tree Acres, and Erosion Reduced  
National Summary Through Fiscal Year 1993

Table 4

State	Acres Enrolled	Base Acres Reduction	Tree Acres	Erosion Reduction (TONS/YEAR)
Connecticut	129	10	10	120
Delaware	2,302	612	173	7,827
Maine	41,309	6,671	2,567	268,897
Maryland	16,144	10,855	1,852	184,297
Massachusetts	32	21	10	222
New Hampshire	165	0	0	0
New Jersey	4,020	185	27	11,325
New York	73,129	25,872	3,626	741,396
Pennsylvania	86,983	39,597	2,239	1,632,136
Rhode Island	0	0	0	0
Vermont	207	17	0	2,479
West Virginia	603	255	32	6,541
NORTHEAST AREA	227,023	84,095	10,536	2,855,242
Illinois	811,927	478,446	35,579	15,945,270
Indiana	462,648	258,979	18,065	7,015,753
Iowa	2,224,833	1,373,831	15,957	40,694,095
Michigan	332,853	185,971	17,341	3,260,489
Minnesota	1,928,954	1,293,386	51,966	32,599,924
Missouri	1,726,836	836,823	20,919	32,085,949
Ohio	377,088	188,767	12,448	3,945,752
Wisconsin	746,529	365,820	66,277	9,649,654
MIDWEST AREA	8,611,668	4,982,023	238,552	145,196,886
Alabama	573,190	226,332	311,130	10,014,391
Arkansas	260,006	132,535	150,862	3,583,531
Florida	134,860	50,506	122,967	2,018,829
Georgia	706,458	379,652	645,931	8,834,344
Kentucky	451,317	241,479	3,877	15,041,810
Louisiana	146,572	58,115	79,242	1,707,882
Mississippi	841,826	299,402	514,799	16,814,431
North Carolina	151,006	70,570	88,504	2,474,608
Puerto Rico	455	0	34	16,076
South Carolina	278,070	134,270	217,536	3,532,489
Tennessee	475,624	226,760	30,276	10,786,233
Virgin Islands	0	0	0	0
Virginia	79,556	38,235	29,712	1,377,969
SOUTHEAST AREA	4,098,940	1,857,856	2,194,870	76,202,593
Alaska	26,022	16,509	0	124,602
Idaho	877,059	559,679	2,836	14,011,351
Montana	2,854,307	1,848,192	1,237	37,238,799
Nebraska	1,425,424	935,619	4,183	31,790,965
North Dakota	3,180,574	2,118,042	1,313	45,842,990
Oregon	530,766	451,571	3,215	5,905,385
South Dakota	2,120,254	1,428,829	1,253	22,050,638
Washington	1,047,028	644,964	1,497	14,184,226
Wyoming	257,223	125,290	8	3,361,722
NORTHWEST AREA	12,318,657	8,128,695	15,542	174,510,678
Arizona	0	0	0	0
California	187,498	96,595	1,572	2,589,598
Colorado	1,978,390	1,133,362	642	48,943,216
Hawaii	85	0	31	340
Kansas	2,937,863	2,161,688	3,067	47,796,137
Nevada	3,123	838	0	49,130
New Mexico	483,181	393,486	0	20,127,135
Oklahoma	1,192,504	957,802	1,857	27,258,836
Texas	4,150,481	3,337,781	21,074	144,704,250
Utah	233,981	120,619	0	3,828,295
SOUTHWEST AREA	11,167,106	8,202,171	28,243	295,296,937
undistributed	0	3	9	0
TOTAL PROGRAM	36,423,394	23,254,843	2,487,752	694,062,336

Table 5

Conservation Reserve Program  
Acres of Commodity Base Enrolled through Fiscal Year 1993

<u>Commodity</u>	<u>Base Acres</u>
Wheat	10,833,508
Corn	4,293,242
Upland Cotton	1,432,762
Oats	1,396,788
Barley	2,833,533
Sorghum	<u>2,465,010</u>
Total Base Acres	23,254,843

DAIRY INDEMNITY PROGRAM

Appropriations Act, 1994 .....	--
Budget Estimate, 1995 .....	--
Change in Appropriation .....	--

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
Indemnity payments to dairy farmers and manufacturers	--	--	--

PROJECT STATEMENT  
(On basis of available funds)

<u>Project</u>	<u>1993 Actual</u>	<u>1994 Estimated</u>	<u>Increase or Decrease</u>	<u>1995 Estimated</u>
Indemnity payments to dairy farmers and manufacturers .....	\$120,129	\$100,000	--	\$100,000
Unobligated balance brought forward from prior years .....	-821,289	-706,160	+\$100,000	-606,160
Unobligated balance carried forward to next year .....	<u>706,160</u>	<u>606,160</u>	<u>-100,000</u>	<u>506,160</u>
Total, Appropriation .....	5,000	--	--	--

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Farm Service Agency.

EXPLANATION OF PROGRAM

The purpose of the Dairy Indemnity Program is to indemnify (1) dairy farmers and manufacturers of dairy products who, through no fault of their own, suffer income losses on milk or milk products removed from commercial markets because of certain chemical residues; and (2) dairy farmers for milk or cows when milk or dairy products are removed from commercial markets because of nuclear radiation, fallout, or other toxic substances.

Section 331 of the Economic Opportunity Act of 1964 authorized the Secretary to make indemnity payments, at fair market value, to farmers who have been directed to remove their milk from commercial markets because it contained residues of chemicals registered and approved by the Federal Government at the time of use. Original authority granted under this section terminated January 31, 1965, but the termination date has been extended 11 times. Major legislation extending and modifying the program is summarized as follows:

- The Agricultural Act of 1970, Public Law 91-524, authorized indemnity payments to manufacturers of dairy products whose products have been removed from the market because they contained residues of chemicals registered and approved by the Federal Government.
- The Agricultural and Consumer Protection Act of 1973, Public Law 93-86, extended the authority for dairy indemnity payments to June 30, 1977. The Act also authorized indemnity payments for dairy cows producing milk contaminated with pesticide residues.

- The Food and Agriculture Act of 1977, which extended the Dairy Indemnity Program to September 30, 1981, also authorized indemnity payments for milk, or cows producing milk, that must be removed from commercial markets as a result of chemical residues not previously included, nuclear radiation, or fallout.
- Use of Commodity Credit Corporation services and facilities was authorized under Public Law 99-349, the fiscal year 1986 Urgent Supplemental Appropriations Act, and under the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1988. This authority has been continued under subsequent appropriation acts.
- Dairy Indemnity Program funds were made available until expended under Section 608, General Provisions, of Public Law 99-190, the Continuing Resolution for fiscal year 1986, and has been continued in subsequent appropriation acts.
- The Food, Agriculture, Conservation, and Trade Act of 1990, Public Law 101-624, extended authority for the Dairy Indemnity Program through September 30, 1995.

During fiscal year 1994, an estimated \$100,000 will be obligated for payment of claims filed by dairy producers under the program.

Dairy Indemnity Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995

State	1993 Actual	1994 Estimated	1995 Estimated
Arizona	\$16,783	--	--
Florida	10,963	--	--
Georgia	22,639	--	--
Illinois	3,547	--	--
Kansas	2,455	--	--
Missouri	5,862	--	--
Nebraska	12,217	--	--
Ohio	18,745	--	--
Tennessee	3,273	--	--
Texas	21,558	--	--
Wisconsin	1,587	--	--
Undistributed	500	\$100,000	\$100,000
Total, Available or Estimate	\$120,129	\$100,000	\$100,000



## DAIRY INDEMNITY PROGRAM

## STATUS OF PROGRAM

Current Activities: During fiscal year 1993, 27 dairy farmers in 11 States filed and received payment for claims totaling \$120,129 under the Dairy Indemnity Program. These farmers' claims resulted from losses incurred due mostly to aflatoxin contamination and various other contaminants discovered in their cattle's milk.

Payments to dairy farmers from inception of the program in fiscal year 1965 through fiscal year 1993 total \$16.5 million.

The provision for making indemnity payments to manufacturers of dairy products became effective on November 30, 1970. Since that time, 20 manufacturers have received indemnity payments totaling \$3.9 million.

The following tables show (a) payments and number of payees during fiscal years 1965 through 1993, and (b) outlays by State during fiscal year 1993.

**Dairy Indemnity Program**  
**Payments and Number of Payees**  
**Fiscal Years 1965-1993**

Fiscal Year	Payments to Dairy Farmers	Payments to Manuf. of Dairy Prod.	Total Payments	Number of Payees
1965	\$349,933	--	\$349,933	135
1966	214,459	--	214,459	60
1967	166,466	--	166,466	110
1968	264,128	--	264,128	35
1969	136,571	--	136,571	20
1970	125,520	--	125,520	35
1971	164,474	--	164,474	23
1972	46,082	\$15,500	61,582	4
1973	36,553	94,666	131,219	6
1974	144,477	31,261	175,738	21
1975	193,389	--	193,389	26
1976 a/	159,289	--	159,289	19
1977	40,284	--	40,284	8
1978	66,266	9,210	75,476	12
1979	64,267	--	64,267	13
1980	91,575	--	91,575	9
1981	42,231	--	42,231	15
1982	15,087	--	15,087	5
1983	6,121,374	--	6,121,374	18
1984	2,043,010	398,910	2,441,920	22
1985	50,070	--	50,070	5
1986	15	--	15	10
1987	4,871,724	3,361,892	8,233,616 b/	131
1988	449,543	--	449,543	4
1989	230,101	--	230,101	106
1990	112,405	--	112,405	52
1991	90,702	--	90,702	24
1992	131,651	--	131,651	51
1993	120,129	--	120,129	27
<b>Total</b>	<b>\$16,541,775</b>	<b>\$3,911,439</b>	<b>\$20,453,214</b>	<b>1006</b>

a/ Includes transition quarter.

b/ Includes payments totaling \$2,264,172 that were issued to producers and manufacturers in fiscal year 1986 but not reported to the National office and Treasury in time to appear as outlays in fiscal year 1986.

**FY 1993 Outlays by State**

State	Payments
Arizona	\$16,783
Florida	10,963
Georgia	22,639
Illinois	3,547
Kansas	2,455
Missouri	5,862
Nebraska	12,217
Ohio	18,745
Tennessee	3,273
Texas	21,558
Wisconsin	1,587
Undistributed	500
<b>Total program net outlays</b>	<b>\$120,129</b>

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Emergency Conservation Program

For necessary expenses to carry out sections 401, 402, and 404 of title IV of the Agricultural Credit Act of 1978, \$3,000,000, to remain available until expended (16 U.S.C. 2201-05).

The requested appropriation language would provide funding for the Emergency Conservation Program in fiscal year 1995.

EMERGENCY CONSERVATION PROGRAM

Appropriations Act, 1994 .....	--
Budget Estimate, 1995 .....	<u>\$3,000,000</u>
Increase in Appropriation .....	<u>+3,000,000</u>

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Other Changes</u>	<u>1995 Estimated</u>
Emergency cost-sharing to farmers .....	--	<u>+\$3,000,000</u>	<u>\$3,000,000</u>
Total available .....	--	<u>+3,000,000</u>	<u>3,000,000</u>

PROJECT STATEMENT  
(On basis of adjusted appropriation)

Project	1993 Actual	1994 Estimated	Increase	1995 Estimated
Emergency cost-sharing to farmers .....	<u>\$86,187,000</u>	--	<u>+\$3,000,000</u>	<u>\$3,000,000</u>
Total available or estimate ....	86,187,000	--	+3,000,000 <sup>(1)</sup>	3,000,000
Transfer from CRP .....	-31,367,000	--		
Transfer from FmHA .....	-14,800,000	--		
Transfer to SCS for technical assistance .....	<u>3,480,000</u>	--		
Total, Appropriation ...	43,500,000 <sup>a/</sup>	-- <sup>b/</sup>		

a/ The fiscal year 1993 total appropriation includes \$3.0 million provided by the fiscal year 1993 regular appropriation, P.L. 102-341; and \$10.5 million in contingency funding that was authorized for ECP by the Dire Emergency Supplemental Appropriations Act of 1992, P.L. 102-368, and made available after an official budget request from the President on December 30, 1992. Also, \$30.0 million was provided by the fiscal year 1993 Emergency Supplemental Appropriations Act of 1993, P.L. 103-75.

b/ Excludes proposed supplemental of \$25,000,000.

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.



**PROJECT STATEMENT**  
(On basis of available funds)

	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Emergency cost-sharing to farmers .....	\$57,775,704	\$51,532,996	-\$48,532,996	\$3,000,000
Unobligated balance brought forward from prior years ..	-30,100,540	-56,013,996	+56,013,996	--
Unobligated balance expiring .....	4,080,658	--	--	--
Unobligated balance carried forward to next year ....	<u>56,013,996</u> a/	<u>--</u>	<u>--</u>	<u>--</u>
Total available or estimate ..	87,769,818	-4,481,000	+7,481,000	3,000,000
Transfer from CRP .....	-31,367,000 b/	--		
Transfer from FmHA .....	-14,800,000 c/	--		
Transfer to SCS for technical assistance ...	<u>1,897,182</u>	<u>4,481,000</u> d/		
Total, Appropriation ..	43,500,000	-- e/		

a/ Primarily includes the \$30 million that was provided by the fiscal year 1993 Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest, P.L. 103-75, and the \$14.8 million transfer to ECP from FmHA.

b/ \$31.367 million was transferred from the Conservation Reserve Program unobligated balance to the Emergency Conservation Program, under the Secretary's 7 percent interchange authority. This additional funding was used in areas that suffered severe damage caused by Hurricanes Andrew and Iniki and Typhoon Omar during fiscal year 1992. The unobligated balance expired on September 30, 1993.

c/ \$14.8 million was transferred from funds originally made available to the Farmers Home Administration in P.L. 102-368. The Secretary was authorized to transfer these funds to ECP by P.L. 103-50 for the rehabilitation of fencing in areas destroyed or damaged in fiscal year 1992 by Hurricane Andrew.

d/ Since no appropriation was provided for ECP in fiscal year 1994, technical assistance needs are based on unobligated carryover funds.

e/ Excludes proposed supplemental of \$25,000,000.

**EXPLANATION OF PROGRAM**

The appropriation "Emergency Conservation Program" of the Agricultural Stabilization and Conservation Service funds the activities authorized by the Agricultural Credit Act of 1978 (P.L. 95-334). Under the program the Government shares the cost of carrying out approved practices to assist and encourage farmers to rehabilitate farmland damaged by natural disasters. Assistance is

available when, as a result of wind, floods, hurricanes or other natural disasters, new conservation problems are created which (1) if not treated, will impair or endanger the land, (2) materially affect the productive capacity of the land, (3) represent damage that is unusual in character and, except for wind erosion, is not the type that would recur frequently in the same area, and (4) will be so costly to rehabilitate that Federal assistance will be required to return the land to productive agricultural use. Also, payments may be made to agricultural producers who carry out emergency water conservation or water enhancing measures during periods of severe drought as determined by the Deputy Administrator, State and County Operations, ASCS.

Cost-sharing may be offered for emergency conservation measures only to replace or restore a practice or to restore the land to a condition similar to that existing prior to the natural disaster, and may not be offered for the solution of conservation problems existing prior to the disaster involved.

Emergency conservation measures or practices for which cost-sharing may be authorized are:

- Practice EC1. Removing debris from farmland, including farmsteads and roadways.
- Practice EC2. Grading, shaping, releveling or similar measures to restore farmland.
- Practice EC3. Restoring permanent fences.
- Practice EC4. Restoring structures and other installations.
- Practice EC5. Emergency wind erosion control measures.
- Practice EC6. Drought emergency measures
- Practice EC7. Other emergency conservation measures.

Practices EC1 through EC5 are subject to approval by the ASC county committee. Practices EC6 and EC7 additionally require prior approval by the Deputy Administrator, State and County Operations, ASCS.

In fiscal year 1994, carryover funds from fiscal year 1993 will be used, in accordance with the law, to rehabilitate fencing in areas destroyed or damaged by Hurricane Andrew and to repair damage in areas affected by the Midwest Flood. In addition, because of the extent of the Midwest flooding, an emergency supplemental request of \$25 million is proposed in fiscal year 1994 to provide additional cost-sharing assistance to eligible producers in the nine affected States. Many acres of land will need reshaping or debris removal before it can be returned to productive uses. Also, miles of farm fencing which were damaged or destroyed must be repaired or replaced to facilitate livestock utilization.

Beginning in fiscal year 1995, it is proposed that the SCS technical assistance funding formerly included in this account be appropriated directly to SCS.

#### JUSTIFICATION OF INCREASE

- (1) An increase of \$3,000,000 for emergency cost-sharing to farmers (no appropriation was provided for ECP in fiscal year 1994).

Need for Change. No carryover unobligated funds are expected to be available in fiscal year 1995. The \$3 million requested for fiscal year 1995 would support only a portion of the program needs in a normal year. Since it is impossible to predict future disasters, funding needs for this program cannot be accurately projected. In the event that additional needs arise in fiscal year 1995, funding will be addressed as necessary.

Nature of Change. The 1995 program will provide cost-sharing to farmers and ranchers to rehabilitate approximately 328,200 acres of farmland damaged by natural disasters.

The following tables show (a) outlays by State, fiscal year 1993 and (b) geographic breakdown of obligations for fiscal years 1993-1995.

Emergency Conservation Program  
Fiscal Year 1993 Outlays by State

State	Outlays
Alabama	\$158,159
Arizona	312,263
Arkansas	20,882
California	93,862
Connecticut	12,533
Florida	15,396,991
Georgia	414,891
Hawaii	1,629,699
Idaho	667,426
Illinois	-1,816
Indiana	96,007
Iowa	183,701
Kentucky	22,696
Louisiana	830,551
Maine	210,294
Maryland	-736
Massachusetts	1,625
Michigan	38,617
Minnesota	918
Mississippi	204,837
Missouri	53,952
Montana	607,445
Nebraska	432,776
Nevada	155,384
New Mexico	21,189
New York	2,837
North Carolina	69,184
Ohio	192,053
Oklahoma	15,073
Oregon	212,886
Pennsylvania	9,727
Puerto Rico	18,464
South Carolina	703,270
South Dakota	503,661
Texas	1,908,471
Utah	5,125
Vermont	25,500
Virginia	35,279
Washington	266,872
West Virginia	23,244
Wisconsin	1,008
Undistributed	-22,313
ASCS Subtotal	\$25,534,487
SCS Technical Assistance	1,897,182
Total	\$27,431,669



**Emergency Conservation Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995**

State	1993 Actual	1994 Estimated	1995 Estimated
Alabama	\$267,343	\$13,996	--
Arizona	842,359	2,530,127	--
Arkansas	-40,042	0	--
California	244,191	880,181	--
Colorado	0	44,800	--
Connecticut	80,733	93,014	--
Florida	19,178	92,639	--
Georgia	620,211	274,719	--
Hawaii	200,880	56,948	--
Idaho	326,544	69,730	--
Illinois	212,710	117,310	--
Indiana	91,330	329,673	--
Iowa	347,699	710,317	--
Kansas	-1,365	0	--
Kentucky	39,703	4,965	--
Louisiana	-39,145	220,734	--
Maine	222,498	28,810	--
Maryland	0	40,000	--
Massachusetts	-11,027	0	--
Michigan	36,617	759	--
Minnesota	8,598	49,670	--
Mississippi	210,967	74,716	--
Missouri	76,834	649,716	--
Montana	-369,067	265,138	--
Nebraska	845,627	497,254	--
Nevada	126,575	0	--
New Mexico	7,589	53,545	--
New York	2,837	5,600	--
North Carolina	-17,021	0	--
Ohio	-37,333	232,790	--
Oklahoma	70,287	195,857	--
Oregon	-1,359	80,619	--
Pennsylvania	-841	19,432	--
Puerto Rico	-18,766	0	--
South Carolina	775,802	44,065	--
South Dakota	80,758	174,510	--
Texas	-643,773	2,457,489	--
Utah	18,585	46,685	--
Vermont	20,881	0	--
Virginia	12,404	36,321	--
Washington	-104,704	0	--
West Virginia	11,764	31,465	--
Wisconsin	-304	3,440	--
Wyoming	1,658	20,000	--
Undistributed	119,867	-3,322,028	\$3,000,000
SCS Technical Assistance	717,182	897,000	--
Subtotal	5,386,544	8,013,996	3,000,000
<b>Hurricanes Andrew &amp; Iniki, Typhoon Omar:</b>			
Florida	44,847,584	0	--
Guam	78,745	0	--
Hawaii	1,992,646	0	--
Louisiana	5,737,628	0	--
Mississippi	13,087	0	--
Undistributed	436,672	0	--
SCS Technical Assistance	1,180,000	0	--
Subtotal	54,286,342	0	--
<b>Fencing:</b>			
Florida	0	12,000,000	--
<b>Midwest Flood:</b>			
Illinois	0	3,688,140	--
Iowa	0	7,139,220	--
Kansas	0	5,962,200	--
Minnesota	0	870,960	--
Missouri	0	9,475,260	--
Nebraska	0	1,558,200	--
North Dakota	0	14,040	--
South Dakota	0	1,260,000	--
Wisconsin	0	1,980	--
Undistributed	0	2,416,000	--
SCS Technical Assistance	0	3,584,000	--
Subtotal	0	48,000,000	--
Subtotal, ASCS	57,775,704	51,532,996	3,000,000
Subtotal, SCS	1,697,182	4,481,000	--
<b>Total, Available or Estimate</b>			
	59,672,886	56,013,996	\$3,000,000

NOTE: Negative obligations represent deobligation of prior years' obligations.

## EMERGENCY CONSERVATION PROGRAM

## STATUS OF PROGRAM

Current Activities: Of the total eligible costs of restoring damaged farmland, the Federal Government will pay up to 64 percent of the first \$62,500, 40 percent of the second \$62,500, and 20 percent of the eligible cost above \$125,000. The maximum cost-share payment under the program is \$200,000 per person, per disaster, including pooling agreements.

During fiscal year 1993, 39 States participated in the program, involving 1,370,721 acres and \$27.4 million in cost-share and technical assistance outlays.

Selected Examples of Recent Activity:

-- Drought. During fiscal year 1993, \$158,000 was allocated to producers in three States as a result of drought conditions.

-- Fencing. In accordance with P.L. 103-50, enacted July 2, 1993, \$14.8 million was transferred from the Farmers Home Administration to the ECP during fiscal year 1993 for the rehabilitation of fencing in areas destroyed or damaged in fiscal year 1992 by Hurricane Andrew. However, program signups and approvals did not start until early fiscal year 1994. Funding will remain available through the end of fiscal year 1994.

-- Flooding. Producers in 27 States were provided ECP allocations in fiscal year 1993 totaling \$34,724,972 (including allocations for the Midwest flood of 1993) to repair flood damage by reshaping the land and removing debris.

During fiscal year 1993 \$30.0 million was provided by the Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P. L. 103-75, enacted August 12, 1993. This funding was used to provide emergency cost-share assistance to producers for the rehabilitation of farmland in areas affected by the Midwest Flood. \$24,294,000 was allocated to eight of the nine affected States in September of 1993 and the remaining \$5,706,000 was allocated in early fiscal year 1994. Funding will remain available until June 30, 1994.

-- Hurricane. During fiscal year 1993, \$58,367,000 was allocated to producers in areas that suffered severe damage caused Hurricanes Andrew and Iniki and Typhoon Omar during fiscal year 1992. Funding for these allocations was provided by the Emergency Supplemental Appropriations Act of 1992, P.L. 102-368, and by a transfer from the Conservation Reserve Program unobligated balance, under the Secretary's 7 percent interchange authority.

-- Tornado. Allocations of \$1,457,100 were provided to producers in nine States during fiscal year 1993 to rehabilitate land damaged by tornadoes.

-- Other disasters. Producers in five States received allocations of \$791,020 in fiscal year 1993 to restore farmland damaged by wildfire, snow, high winds and mudslides.

The tables that follow show (a) appropriations and outlays for fiscal years 1957 through 1993, (b) fiscal year 1993 allocations by State and (c) outlays by type of disaster for fiscal year 1993.

Emergency Conservation Program  
Appropriations and Outlays  
Fiscal Years 1957 - 1993

Fiscal Year	Appropriation	Outlays
1957	\$4,000,000	\$931,800
1958	20,000,000	1,975,898
1959	--	3,211,377
1960	--	897,656
1961	--	549,201
1962	5,000,000	8,796,544
1963	--	2,701,428
1964	4,000,000	3,392,835
1965	14,000,000	10,007,537
1966	24,000,000	13,189,570
1967	5,000,000	5,701,969
1968	5,000,000	5,403,016
1969	5,000,000	7,143,935
1970	5,000,000	8,303,981
1971	5,000,000	12,364,588
1972	12,000,000	7,407,073
1973	25,000,000	9,227,765
1974	10,000,000	18,195,465
1975	10,000,000	8,152,886
1976	10,000,000	11,242,440
TQ	2,500,000	3,399,204
1977	10,000,000	15,858,888
1978	30,000,000	15,496,330
1979	10,000,000	23,384,000
1980	35,000,000	22,196,759
1981	10,000,000	15,700,695
1982	8,800,000	4,400,132
1983	--	9,854,249
1984	19,000,000	15,488,359
1985	--	11,415,369
1986	5,000,000	7,098,964
1987	10,000,000	4,656,594
1988	1,000,000	4,763,344
1989	5,000,000	7,893,738
1990	29,927,000	12,256,527
1991	9,999,870	13,245,469
1992	22,500,000 1/	8,854,177
1993	89,667,000 2/	27,431,669
TOTAL	\$461,393,870	\$362,191,431

1/ Excludes \$10.5 million in contingency funds provided by P.L. 102-368, which were made available on December 30, 1992.

2/ Includes \$10.5 million in contingency funds provided by P.L. 102-368, which were made available on December 30, 1992; \$31.367 million transferred from CRP under the authority of 7 U.S.C. 2257; \$30.0 million provided by the FY 1993 Midwest Flood Supplemental; \$14.8 million transferred from FmHA; and \$3.0 million provided by FY 1993 regular appropriation, P. L. 102-341.

Emergency Conservation Program  
FY 1993 Allocations by State

STATE	ONGOING PROGRAM	HURRICANES ANDREW/ INIK, TYPHOON OMAR	MIDWEST FLOOD	TOTAL
Alabama	443,435			443,435
Arizona	3,541,971			3,541,971
Arkansas	1,374			1,374
California	880,585			880,585
Colorado	44,800			44,800
Florida	120,000	47,738,000		47,858,000
Georgia	1,098,000			1,098,000
Guam	0	200,000		200,000
Hawaii	155,000	3,562,000		3,717,000
Idaho	364,000			364,000
Illinois	365,529			3,991,929
Indiana	80,000		3,626,400	80,000
Iowa	1,386,702		5,688,600	7,075,302
Kansas	0		5,575,200	5,575,200
Kentucky	24,000			24,000
Louisiana	22,000	6,847,000		6,869,000
Maine	390,000			390,000
Michigan	24,000			24,000
Minnesota	0		684,200	684,200
Mississippi	321,000	20,000		341,000
Missouri	370,000		6,790,800	7,160,800
Montana	190,000			190,000
Nebraska	975,512		706,800	1,682,312
Nevada	40,500			40,500
New Mexico	8,444			8,444
New York	25,550			25,550
North Dakota	0		12,000	12,000
Oklahoma	238,376			238,376
Oregon	110,000			110,000
Pennsylvania	20,000			20,000
Puerto Rico	1,114			1,114
South Carolina	719,100			719,100
South Dakota	35,000		1,200,000	1,235,000
Texas	671,000			671,000
Utah	95,500			95,500
Washington	15,000			15,000
West Virginia	39,500			39,500
Wisconsin	100			100
Wyoming	20,000			20,000
Total	12,837,092 1/	58,367,000 2/	24,294,000 3/	95,498,092

1/ Includes FY 1993 BA and recoveries of prior-year allocations.

2/ Includes \$27M in FY 92 supplemental funding and \$31.367M transferred from CRP. Funding was available through September 30, 1993.

3/ FY 1993 supplemental funding of \$30 million is available through June 30, 1994.



Emergency Conservation Program  
Outlays by Type of Disaster  
Fiscal Year 1993

STATE	Drought	Flood	Hurricane	Tornado	All Other	Total
Alabama	—	\$6,357	—	\$122,303	\$29,499	\$158,159
Arizona	—	312,263	—	—	—	312,263
Arkansas	—	19,156	—	1,726	—	20,882
California	68,719	12,488	—	—	12,655	93,862
Connecticut	—	986	—	—	11,547	12,533
Florida	—	—	15,369,830	27,161	—	15,396,991
Georgia	—	123,169	—	279,135	12,587	414,891
Hawaii	—	217,961	1,411,738	—	—	1,629,699
Idaho	558,216	—	—	—	109,210	667,426
Illinois	-2,893	1,077	—	—	—	-1,816
Indiana	—	75,063	—	20,944	—	96,007
Iowa	—	183,701	—	—	—	183,701
Kentucky	—	19,680	—	3,016	—	22,696
Louisiana	—	16,312	810,880	3,359	—	830,551
Maine	—	210,294	—	—	—	210,294
Maryland	—	-736	—	—	—	-736
Massachusetts	—	1,625	—	—	—	1,625
Michigan	—	—	—	38,617	—	38,617
Minnesota	—	918	—	—	—	918
Mississippi	—	2,170	13,087	189,580	—	204,837
Missouri	1,275	52,677	—	—	—	53,952
Montana	400,058	37,550	—	—	169,837	607,445
Nebraska	—	432,776	—	—	—	432,776
Nevada	114,884	40,500	—	—	—	155,384
New Mexico	—	18,384	—	2,805	—	21,189
New York	—	8,137	—	—	—	2,837
North Carolina	—	69,184	—	—	—	69,184
Ohio	173,931	13,700	—	4,422	—	192,053
Oklahoma	—	15,073	—	—	—	15,073
Oregon	163,290	31,740	—	—	17,856	212,886
Pennsylvania	9,727	—	—	—	—	9,727
Puerto Rico	—	18,464	—	—	—	18,464
South Carolina	—	653,215	-230	50,285	—	703,270
South Dakota	428,195	75,466	—	—	—	503,661
Texas	—	1,908,471	—	—	—	1,908,471
Utah	—	5,125	—	—	—	5,125
Vermont	—	—	—	—	25,500	25,500
Virginia	—	35,279	—	—	—	35,279
Washington	186,613	18,626	—	—	61,633	266,872
West Virginia	—	23,244	—	—	—	23,244
Wisconsin	—	1,008	—	—	—	1,008
Undistributed	—	—	—	—	—	-22,313
<b>TOTAL</b>	<b>\$2,102,015</b>	<b>\$4,661,103</b>	<b>\$17,605,305</b>	<b>\$743,353</b>	<b>\$450,324</b>	<b>\$25,534,487 a/</b>

a/ Excludes technical assistance. Total outlays, including \$1,897,182 for technical assistance are \$27,431,669.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Forestry Incentives Program

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, [\$12,820,000] \$6,625,000, to remain available until expended, as authorized by that Act.

FORESTRY INCENTIVES PROGRAM

Appropriations Act, 1994 .....	\$12,820,000
Budget Estimate, 1995 .....	<u>6,625,000</u>
Decrease in Appropriations .....	<u>-6,195,000</u>

SUMMARY OF INCREASES AND DECREASES  
(On basis of appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
Cost-sharing to landowners .....	\$11,538,000	-\$5,576,000	\$5,962,000
Technical assistance (FS) .....	<u>1,282,000</u>	<u>-619,000</u>	<u>663,000</u>
Total Available .....	<u>12,820,000</u>	<u>-6,195,000</u>	<u>6,625,000</u>

PROJECT STATEMENT  
(On basis of appropriation)

Project	1993 Actual	1994 Estimated	Decrease	1995 Estimated
Cost-sharing to landowners .....	\$11,201,000	\$11,538,000	-\$5,576,000 <sup>(1)</sup>	\$5,962,000
Technical assistance (FS) .....	<u>1,245,000</u>	<u>1,282,000</u>	<u>-619,000</u> <sup>(2)</sup>	<u>663,000</u>
Total, Appropriation....	12,446,000	12,820,000	-6,195,000	6,625,000

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.

PROJECT STATEMENT  
(On basis of available funds)

Project	1993 Actual	1994 Estimated	Decrease	1995 Estimated
Cost-sharing to landowners.....	\$11,104,940	\$13,199,974	-\$7,237,974	\$5,962,000
Technical assistance (FS)...	<u>1,245,000</u>	<u>1,287,546</u>	<u>-624,546</u>	<u>663,000</u>
Total available....	12,349,940	14,487,520	-7,862,520	6,625,000
Unobligated balance brought forward from prior years..	-1,571,460	-1,667,520	+1,667,520	--
Unobligated balance carried forward to next year.....	<u>1,667,520</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total, Appropriation....	12,446,000	12,820,000	-6,195,000	6,625,000

EXPLANATION OF PROGRAM

The appropriation "Forestry Incentives Program" of the Agricultural Stabilization and Conservation Service funds the activities authorized by the Cooperative Forestry Assistance Act of 1978, as amended by section 1214 of the Food, Agriculture, Conservation, and Trade Act of 1990. Its purpose is to encourage the development, management, and protection of nonindustrial, private forest lands to increase the production of timber and enhance other forest resources. The program is carried out through annual and long-term cost-sharing agreements with private landowners who improve a stand of forest trees or plant trees.

Under the 1994 program, cost-sharing and technical assistance totaling \$12,820,000 will be provided to plant trees on approximately 153,500 acres and to improve timberstand on approximately 39,900 acres of forest. This program level would result in an estimated 104.4 million trees planted.

#### JUSTIFICATION OF DECREASES

- (1) A decrease of \$5,576,000 for cost-sharing to landowners (\$11,538,000 available in fiscal year 1994).

Need for Change. The fiscal year 1995 budget requests \$5,962,000 for cost-share assistance to landowners. This level is a \$5,576,000 decrease below the amount that was provided in 1994.

Nature of Change. The Forestry Incentives Program provides funding for cost-sharing agreements with private landowners who improve a stand of forest trees or plant trees. The program will target funds to achieve the greatest environmental benefits with program expenditures. Selected sites for cost-share tree planting will demonstrate water quality improvement opportunities, as well as erosion prevention and other environmental goals.

- (2) A decrease of \$619,000 for Forest Service technical assistance due to a lower level of FIP funding in fiscal year 1995 (\$1,282,000 available in fiscal year 1994).

The following tables show (a) outlays for fiscal year 1993 and (b) geographic breakdown of obligations for fiscal years 1993-1995.



Forestry Incentives Program  
Fiscal Year 1993 Outlays by State

State	Outlays
Alabama	1,089,911
Arizona	1,073
Arkansas	901,893
California	112,358
Colorado	4,520
Connecticut	2,535
Delaware	61,480
Florida	1,108,846
Georgia	1,364,443
Idaho	29,862
Illinois	69,095
Indiana	76,719
Iowa	28,520
Kansas	3,353
Kentucky	38,771
Louisiana	693,414
Maine	40,270
Maryland	109,078
Massachusetts	54,298
Michigan	82,417
Minnesota	60,542
Mississippi	1,026,048
Missouri	30,663
Montana	10,842
New Hampshire	42,174
New Jersey	1,904
New Mexico	10,495
New York	53,173
North Carolina	717,796
Ohio	192,644
Oklahoma	55,669
Oregon	454,838
Pennsylvania	43,818
Puerto Rico	20,160
Rhode Island	2,742
South Carolina	1,091,037
South Dakota	21,136
Tennessee	87,326
Texas	628,072
Vermont	8,907
Virginia	834,105
Washington	339,548
West Virginia	53,161
Wisconsin	188,301
Wyoming	72,177
Undistributed	2,199
ASCS, Subtotal	11,922,333
FS Technical Assistance	1,190,105
<b>TOTAL</b>	<b>13,112,438</b>

Forestry Incentives Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995

State	1993 Actual	1994 Estimated	1995 Estimated
Alabama	929,496	925,566	418,048
Alaska	-12,654	16,534	7,468
Arizona	0	8,093	3,655
Arkansas	709,524	713,963	322,474
California	156,971	154,647	69,849
Colorado	7,866	14,213	6,420
Connecticut	-990	14,665	6,624
Delaware	12,614	187,799	84,823
Florida	1,125,628	1,108,171	500,525
Georgia	1,134,003	1,441,914	651,266
Idaho	27,494	64,601	29,178
Illinois	58,256	56,057	25,319
Indiana	83,381	93,106	42,053
Iowa	53,281	74,735	33,755
Kansas	1,416	15,067	6,805
Kentucky	11,903	142,940	64,561
Louisiana	644,603	656,825	296,667
Maine	21,586	76,162	34,400
Maryland	133,372	137,422	62,069
Massachusetts	50,341	64,996	29,357
Michigan	81,776	65,803	29,721
Minnesota	40,191	200,324	90,480
Mississippi	981,940	980,879	443,031
Missouri	22,389	136,650	61,720
Montana	8,167	2,006	906
Nebraska	3,250	32,544	14,699
New Hampshire	34,752	47,290	21,359
New Jersey	4,204	18,858	8,518
New Mexico	2,852	15,612	7,051
New York	72,422	79,493	35,904
North Carolina	586,610	733,072	331,105
Ohio	148,782	165,083	74,563
Oklahoma	17,604	221,209	99,913
Oregon	511,581	501,017	226,293
Pennsylvania	41,222	174,956	79,022
Puerto Rico	-4,170	20,665	9,334
Rhode Island	54	4,845	2,188
South Carolina	1,037,118	1,039,505	469,511
South Dakota	20,580	22,149	10,004
Tennessee	149,124	108,445	48,981
Texas	538,104	955,292	431,474
Vermont	18,190	17,609	7,953
Virginia	839,449	896,289	404,825
Washington	336,812	361,632	163,337
West Virginia	39,782	86,284	38,972
Wisconsin	207,560	229,048	103,454
Wyoming	75,389	90,764	40,995
Undistributed	141,115	25,175	11,371
ASCS, Sub-total	11,104,940	13,199,974	5,962,000
FS Technical Assistance	1,245,000	1,287,546	663,000
Total, Available or Estimate	12,349,940	14,487,520	6,625,000

## FORESTRY INCENTIVES PROGRAM

## STATUS OF PROGRAM

Current Activities: The Forestry Incentives Program (FIP) is available in counties designated on the basis of a Forest Service survey of total eligible private timberland available for potential production of timber products. Features of the program include:

- Cost-Share Rate. FIP shares up to 65 percent of the cost of performing forestry practices designed to plant or improve a stand of forest trees. The percentage cost-shared depends on the rate set in a particular State and county by the Agricultural Stabilization and Conservation (ASC) committee in consultation with the State forester or equivalent State official.
- Eligibility. To be eligible for cost-sharing assistance under FIP, a landowner must:
  - Own private, nonindustrial forest land that is capable of producing marketable timber crops and meeting minimum productivity standards of at least 50 cubic feet of wood per acre per year.
  - Qualify as a private individual, group, Indian tribe or other native group, association, corporation (excluding corporations whose stocks are publicly traded), or other legal entity who owns no more than 1,000 acres of eligible forest land (unless ASCS determines it is in the public interest to grant an exception for a larger unit of up to 5,000 acres).
  - Restrict the manufacture of forest products to a part-time or irregular basis.
- Forest Management Plan. Once an eligible landowner requests assistance through an ASCS county office, a representative of the State forestry agency examines the landowner's property to certify the need for the practice. The landowner may enter into either an annual or long-term agreement (3-10 years). As a condition for cost-sharing assistance, the landowner works with the State forester to develop a forest management plan. The plan, when completed, must be approved by the State forester or his or her representative and a copy provided to the county ASC committee. The State forestry agency provides technical advice and helps find approved vendors, if needed, for getting the work accomplished.
- Payment Limitation. Once the State forestry agency certifies that the project is complete, the county ASCS office makes the cost-share payments. The payment limitation to any person during any year is \$10,000.
- Practices. The practices for which costs are shared under FIP are as follows:
  - FPI-Planting Trees. This practice is intended to increase the production of timber and improve the environment. Site preparation is an authorized part of the practice if certified as necessary by a representative of the State forestry agency.

- FP2-Improving a Stand of Forest Trees. This practice is aimed at increasing growth of trees on sites suitable for production of sawtimber and veneer logs. Both softwood and hardwood improvement practices may qualify. Precommercial thinning, pruning of crop trees, and releasing desirable seedlings and young trees are acceptable measures.
- FP3-Site Preparation for Natural Regeneration. This practice is aimed at establishing a stand of forest trees through natural regeneration for timber production purposes and to preserve and improve the environment.
- SF-Special Forestry Practices. A special forestry practice may be approved by the Deputy Administrator for State and County Operations, ASCS, after consultation with the Forest Service when needed for a significant and unique local condition for which the national practices are not adequate.

Selected Examples of Recent Progress:

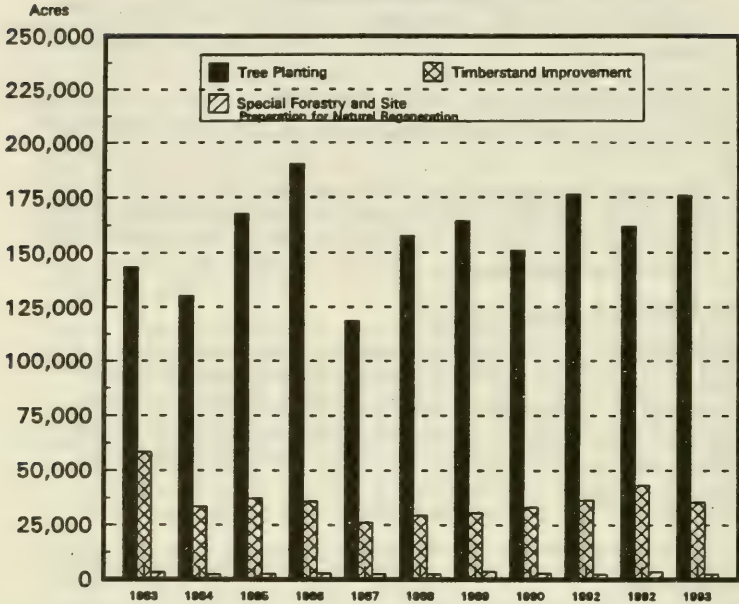
- Participation. During fiscal year 1993 there were 5,467 participants. From fiscal year 1975, when the program became separately funded, through fiscal year 1993, 126,418 participants entered cost-share agreements to increase the production of timber on 4,342,894 acres of private forest lands. Forestry studies indicate that over 30 percent of all tree planting on nonindustrial, private lands is accomplished through FIP.
- Payments. Outlays in fiscal year 1993 totaled \$13,112,438.

The following graphs show (a) the number of acres by type of practice, and (b) the outlays and number of participants for fiscal years 1983 through 1993.



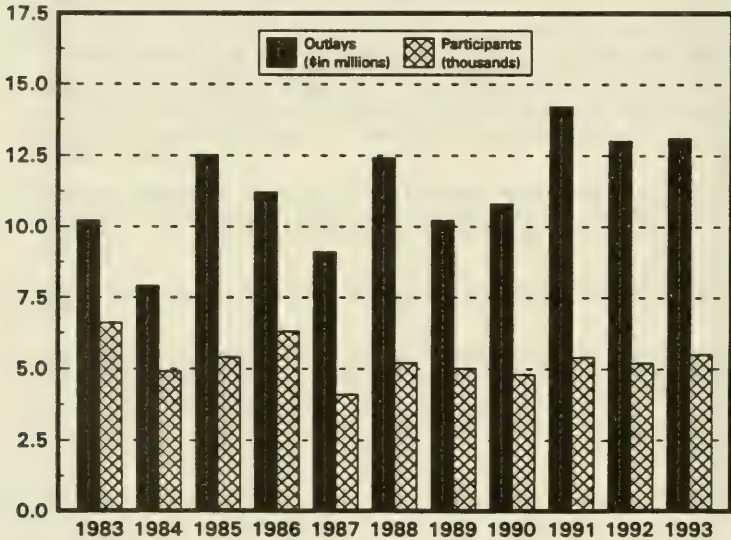
## FORESTRY INCENTIVES PROGRAM (FIP)

## Number of Acres



## Outlays and Number of Participants

Outlays/Participants



RURAL CLEAN WATER PROGRAM

Appropriations Act, 1994 .....	--
Budget Estimate, 1995 .....	--
Change in Appropriation .....	--

PROJECT STATEMENT  
(On basis of available funds)

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Cost-sharing to farmers ...	\$155,196	\$259,117	-\$259,117	--
Recovery of prior year obligations .....	-246,722	--	--	--
Unobligated balance brought forward from prior years .	-407,591	-259,117	+259,117	--
Unobligated balance carried forward to next year .....	259,117	--	--	--
Total available or estimate .....	-240,000	--	--	--
Transfer to SCS for technical assistance .....	240,000	--		
Total, Appropriation .....	--	--		

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.

EXPLANATION OF PROGRAM

The experimental Rural Clean Water Program is authorized by the Agriculture, Rural Development and Related Agencies Appropriation Acts of 1980 (P.L. 96-108) and 1981 (P.L. 96-528).

The purpose of the program is to develop and test means of controlling agricultural nonpoint source water pollution in rural areas. It provides long-term financial and technical assistance to landowners and operators to improve water quality and meet water quality goals. Under the program, participants agreed to install and maintain practices as specified in an approved water quality plan. The effectiveness of the practices in reducing identified pollutants entering a stream or lake or leaving their source is evaluated.

Federal technical assistance is provided by the Soil Conservation Service, Forest Service, Economic Research Service, and the Environmental Protection Agency. Nonfederal technical assistance is provided by local agencies and/or conservation districts.

The experimental program encompasses 21 project areas, which contain a multiplicity of pollution-causing materials such as nutrients/fertilizers, toxics/pesticides, organics/bacteria, sediment, and dissolved solids. Recommended project areas were developed by local and State committees and approved by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency.

Full funding was provided for all projects on a current dollar basis. Application of the construction cost index (from the Department of Commerce Composite of Construction Cost Index, Bureau of the Census, Construction Statistics Division) to the original approvals was used to project future budgetary requirements. The program requires no additional funding. Projects were fully funded by 1980 and 1981 appropriations.

The following tables show (a) outlays by State, fiscal year 1993, (b) geographic breakdown of obligations for fiscal years 1993–1995, and (c) cost by project.

Rural Clean Water Program  
Fiscal Year 1993 Outlays by State

State	Outlays
Delaware	\$2,470
Florida	28,766
Idaho	66,533
Illinois	2,284
Kansas	573
Louisiana	59,150
Maryland	54,807
Michigan	284
Minnesota	25,265
Nebraska	4,929
Oregon	181,352
Pennsylvania	240,350
South Dakota	50,138
Tennessee	30,656
Wisconsin	42,486
Undistributed	26
ASCS, Subtotal	790,069
Technical Assistance for ES	331,796
<b>TOTAL</b>	<b>\$1,121,865</b>

Rural Clean Water Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995

State	1993 Actual	1994 Estimated	1995 Estimated
Alabama	- 5,859	--	--
Delaware	--	--	--
Florida	--	--	--
Idaho	--	--	--
Illinois	--	--	--
Iowa	--	--	--
Kansas	--	--	--
Kentucky	- 3,601	--	--
Louisiana	--	--	--
Maryland	--	--	--
Massachusetts	--	--	--
Michigan	--	--	--
Minnesota	- 5,874	--	--
Nebraska	30,000	--	--
Oregon	40,000	--	--
Pennsylvania	30,000	--	--
South Carolina	--	--	--
South Dakota	40,000	--	--
Tennessee	- 38,624	--	--
Vermont	--	--	--
Virginia	- 184,667	--	--
Wisconsin	- 19,829	--	--
Undistributed	273,650	259,117	--
Subtotal, ASCS	155,196	259,117	--
SCS Technical Assistance	240,000	--	--
Total, Available or Estimate	395,196	259,117	--

NOTE: Negative obligations represent deobligation of prior years' obligations.



## RURAL CLEAN WATER PROGRAM PROJECTS

<u>Project</u>	<u>Location</u>	<u>Actual Cost 1/</u>	<u>Status</u>
Lake Tholocco	Alabama	\$1,772,064	Implemented in 1980. 80% of its critical acres are under contract.
Appoquinimink	Delaware	887,256	Implemented in 1980. 87% of its critical acres are under contract.
Taylor Creek-Nubbin Slough/ Lower Kissimmee River	Florida	3,278,631	The Taylor Creek-Nubbin Slough project was implemented in 1981. 87% of its critical acres are under contract. Lower Kissimmee River was added in 1988. 58% of its critical acres are under contract.
Rock Creek	Idaho	5,376,943	Implemented in 1980. 73% of its critical acres are under contract. Selected as one of five comprehensive monitoring and evaluation (CM&E) projects.
Highland Silver Lake	Illinois	3,974,691	Implemented in 1980. 82% of its critical acres are under contract. A CM&E project.
Prairie Rose Lake	Iowa	655,891	Implemented in 1980. 90% of its critical acres are under contract.
Upper Wakarusa	Kansas	2,131,691	Implemented in 1980. Has been terminated.
Reelfoot Lake	Kentucky	900,443	Implemented in 1980. 64% of its critical acres are under contract.
Bonne Idee	Louisiana	4,234,762	Implemented in 1980. 60% of its critical acres are under contract.

Double Pipe Creek	Maryland	5,064,038	Implemented in 1980. 100% of its critical acres under contract.
Westport River	Massachusetts	667,085	Implemented in 1981. 67% of its critical acres are under contract.
Saline Valley	Michigan	2,613,885	Implemented in 1980. 32% of its critical acres are under contract.
Garvin Brook	Minnesota	2,580,422	Implemented in 1981. 65% of its critical acres are under contract.
Long Pine Creek	Nebraska	2,409,388	Implemented in 1981. 79% of its critical acres are under contract.
Tillamook Bay	Oregon	5,447,461	Implemented in 1981. 99% of its critical acres are under contract.
Conestoga Headwaters	Pennsylvania	4,051,797	Implemented in 1981. 40% of its critical acres are under contract. A CM&E project.
Oakwood Lake Poinsett	South Dakota	3,552,215	Implemented in 1981. 61% of its critical acres are under contract. A CM&E project.
Reelfoot Lake	Tennessee	4,384,462	Implemented in 1980. 58% of its critical acres are under contract.
Snake Creek	Utah	373,553	Implemented in 1980. 100% of its critical acres are under contract.
St. Albans Bay	Vermont	5,089,482	Implemented in 1980. 75% of its critical acres are under contract. A CM&E project.
Nansemond-Chuckatuck	Virginia	2,152,814	Implemented in 1981. 75% of its critical acres are under contract.

Lower Manitowoc      Wisconsin      2,399,205

Implemented in  
1980. 57% of its  
critical acres are  
under  
contract.

Subtotal      63,998,179

Technical Assistance, National  
Association of Conservation Districts      1.821

TOTAL      \$64,000,000

- 1/ Includes funds for best management practices, information and education, Federal and nonfederal technical assistance, and comprehensive monitoring and evaluation. A best management practice is a single practice or a system of practices to improve water quality included in the approved RCWP project application that reduces or prevents agricultural nonpoint source pollution. Comprehensive monitoring and evaluation involves the monitoring of water quality analysis of samples, evaluation of results, and analysis of socioeconomic impact on the affected population.

## RURAL CLEAN WATER PROGRAM

## STATUS OF PROGRAM

Current Activities: The experimental Rural Clean Water Program (RCWP) provides financial and technical assistance to farmers and ranchers for the installation of approved measures that reduce or control agricultural nonpoint source pollution.

- Program Operation. Project proposals were developed and recommended by local and State coordinating committees and were selected by the Secretary of Agriculture in consultation with the Administrator of the Environmental Protection Agency. Work plans for each project, initially developed prior to selection, are updated annually.

Each participant entered into a contract agreement during the first 5 years of the project, to carry out an individual water quality plan developed in cooperation with the Soil Conservation Service and the soil conservation district. Approved contracts then run from 3 to 10 years and may be modified to reflect changes in the status of the participant, the land agreement, or farming operations.

Pollution problems are treated by Best Management Practices (BMP's) specified by the individual water quality plan developed for each farm. Practices that qualify for cost-sharing under the RCWP are those that reduce pollutants entering a stream or lake, or prevent them from leaving their source.

- Payment Levels and Limitations. The maximum Federal cost-share level is 75 percent, unless otherwise approved by the Administrator, ASCS. Total payment to a single producer is limited to \$50,000 over the life of the contract. There is no annual limitation.
- Monitoring and Evaluation. General monitoring records progress on practice installation, payments, and short- and long-term water quality trends for all projects. An economic evaluation of each project is performed to determine the cost-share rate for each practice. Comprehensive monitoring and evaluation (CM&E) involves the monitoring of water quality, analysis of samples, evaluation of results, and analysis of socioeconomic impact on the affected population. Projects in Idaho, Illinois, Pennsylvania, South Dakota, and Vermont have been selected as CM&E projects.

Selected Examples of Progress:

-- Funding Status:

- The contracting period for all projects has ended. Any further changes in project funding reflect cost reestimates.
- Since inception, \$34,007,808 in BMP funds have been placed under contract.
- Since inception, \$21,678,171 million has been allocated for technical assistance activities to EPA, ERS, ES, FS, SCS, and for other technical services to local conservation districts.
- Since inception, \$7,849,135 has been approved for comprehensive monitoring and evaluation: Idaho, \$1,388,966; Illinois, \$1,285,757; Pennsylvania, \$1,231,400; South Dakota, \$1,675,957; and Vermont, \$2,267,055.



- National RCWP Symposium. The National RCWP Symposium was held in September 1992 to present the results of the 10-year experimental RCWP to Federal, State, and local project managers, landowners, and others interested in solutions to nonpoint source pollution.
- Program Reports. The following are the major reports generated by the National Water Quality Evaluation Project:
  - Water Quality Monitoring Report for Agricultural Nonpoint Source Pollution Control Projects - Methods and Findings from the Rural Clean Water Program.
  - Summary Report: Evaluation of the Experimental Rural Clean Water Program.
  - The National Rural Clean Water Program Symposium - 10 years of Controlling Agricultural Nonpoint Source Pollution: The RCWP Experience Status of Agricultural Nonpoint Source Projects. (Prepared annually.)
  - The Rural Clean Water Program: A Report.
  - Rural Clean Water Program - Lessons Learned From a Voluntary Nonpoint Source Control Experiment.
  - Evaluation of the Experimental Rural Clean Water Program.
- Lessons learned from the RCWP experience:
  - Best Management Practices (BMP's) improve water quality.
  - There must be flexibility to try BMP innovations or modifications to make them adaptable to specific situations.
  - Federal funds for nonpoint source (NPS) pollution control programs must be committed up-front and for the entire project period.
  - Sufficient financial and technical resources must be available to make adequate water quality monitoring and evaluation programs possible, since monitoring is the primary and most defensible means for evaluating the effectiveness of an NPS control program.
  - The availability of cost-share assistance at a sufficiently high level is the most important factor in obtaining producer participation in voluntary NPS control programs.
  - Project goals must be realistic, specific, and measurable.
  - The critical areas must be well defined and must encompass the major pollution sources.
  - First priority should be given to projects where there is a high probability for reversing the water use impairment.
  - The linkage of land treatment to water quality can be made at the farm field, subwatershed, watershed, or project level.

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows:

Water Bank Program

For necessary expenses to carry into effect the provisions of the Water Bank Act (16 U.S.C. 1301-1311), \$8,000,000, to remain available until expended.

WATER BANK PROGRAM

Appropriations Act, 1994 .....	\$8,000,000
Budget Estimate, 1995.....	<u>8,000,000</u>
Change in Appropriation.....	<u>--</u>

## Adjustment in 1994:

Appropriation Act, 1994.....	\$8,000,000	
Transfer to SCS for technical assistance.....	<u>-640,000</u>	
Adjusted base for 1994.....		7,360,000
Budget Estimate, 1995.....		<u>8,000,000</u>
Increase over adjusted 1994.....		<u>+640,000</u>

SUMMARY OF INCREASES AND DECREASES  
(on basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994</u> <u>Estimated</u>	<u>Other</u> <u>Changes</u>	<u>1995</u> <u>Estimated</u>
Annual payments to landowners	<u>\$7,360,000</u>	<u>+640,000</u>	<u>\$8,000,000</u>
Total Available .....	<u>7,360,000</u>	<u>+640,000</u>	<u>8,000,000</u>

PROJECT STATEMENT

(On basis of adjusted appropriation)

Project	1993 Actual	1994 Estimated	Increase	1995 Estimated
Annual payments to landowners .....	<u>\$17,130,000</u>	<u>\$7,360,000</u>	<u>+640,000</u>	<u>\$8,000,000</u>
Total available or estimate .....	17,130,000	7,360,000	+640,000 (1)	8,000,000
Transfer to SCS for technical assistance	<u>1,490,000</u>	<u>640,000</u>		
Total, appropriation	18,620,000	8,000,000		

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.

PROJECT STATEMENT

(On basis of available funds)

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Annual payments to landowners .....	<u>\$18,124,998</u>	<u>\$9,899,730</u>	<u>-\$1,899,730</u>	<u>\$8,000,000</u>
Unobligated balance brought forward ....	-3,182,030	-2,539,730	+2,539,730	--
Unobligated balance carried forward to next year .....	<u>2,539,730</u>	--	--	--
Total available or estimate .....	17,482,698	7,360,000	+640,000	8,000,000
Transfer to SCS for technical assistance	<u>1,137,302</u>	<u>640,000</u>		
Total, Appropriation	18,620,000	8,000,000		

### EXPLANATION OF PROGRAM

The appropriation "Water Bank Program" of the Agricultural Stabilization and Conservation Service funds the activities authorized by the Water Bank Act, Public Law 91-559, approved December 19, 1970, as amended by the Public Law 96-182, approved January 2, 1980.

Its purpose is to conserve water, preserve, maintain, and improve migratory waterfowl habitat and other wildlife resources, and secure other environmental benefits through long-term land use agreements with landowners and operators in important migratory waterfowl nesting, breeding, and feeding areas that have been specifically designated by the Secretary.

The Secretary enters into agreements with landowners and operators for the conservation of specified wetlands. The agreements are for 10 years with provision for renewal for additional periods. During the period of the agreement, the landowner agrees not to drain, burn, fill or otherwise destroy the wetland character of such areas. The Secretary makes annual payments to the owner or operator at a rate determined at the time of agreement and subject to review after 4 years and at the time of renewal.

The Secretary carries out the program in coordination with wetlands programs administered by the Secretary of the Interior and utilizes the technical and related services of appropriate State, Federal, and private conservation agencies to ensure coordination. Beginning in fiscal year 1995, it is proposed that the SCS technical assistance funding formerly included in this account be appropriated directly to SCS.

### JUSTIFICATION OF INCREASE

- (1) An increase of \$640,000 for WBP 10-year agreements with landowners and operators (\$7,360,000 available in fiscal year 1994).

Need for Change. The fiscal year 1995 budget requests \$8.0 million for 10-year agreements with landowners and operators to preserve and protect eligible wetlands and adjacent lands. This level is \$640,000 above the level available for this purpose in fiscal year 1994.

The Water Bank Program provides essential flood water control at a low cost in seasonally flooded basins and flat wetland areas. There are approximately 738,000 acres currently under 10-year WBP voluntary agreements, of which 355,000 acres are wetlands. Most of these acres are non-cropland and require little or no restoration.

Preserved wetlands play a major role in reducing flooding by temporarily storing large quantities of water, and by slowing the velocity of flood waters to decrease flood damage in an area. The preservation of the nation's wetlands through the Water Bank Program is a natural method of achieving flood control and reducing flood damage.

Nature of Change. The requested budget of \$8.0 million would protect approximately 48,300 acres of wetlands and adjacent lands in important migratory waterfowl nesting and breeding areas. It would permit renewal of approximately 75 percent of the 64,000 acres covered by expiring 1985 agreements or provide funding to enter into 464 new 10-year agreements. Funds will be directed to the States considered to have the most valuable wetlands and adjacent lands as identified by United States Department of Interior studies. Equal consideration will be given when reviewing for renewal or new agreements.

The following tables show (a) outlays for fiscal year 1993 and (b) geographic breakdown of obligations for fiscal years 1993-1995.



Water Bank Program  
Fiscal Year 1993 Outlays by State

State	Outlays
Arkansas	\$690,840
California	570,854
Kentucky	--
Louisiana	672,135
Michigan	--
Minnesota	2,061,624
Mississippi	914,595
Montana	214,591
Nebraska	218,449
North Dakota	3,083,815
Ohio	84,526
South Dakota	1,518,357
Wisconsin	605,192
SCS Technical Assistance	1,137,302
<b>Total</b>	<b>\$11,772,280</b>

Water Bank Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995

State	1993 Actual	1994 Estimated	1995 Estimated
Arkansas	\$2,133,939	\$821,000	--
California	485,525	277,733	--
Kentucky	--	--	--
Louisiana	2,526,866	1,311,000	--
Maine	--	--	--
Michigan	--	40,061	--
Minnesota	2,819,864	1,689,238	--
Mississippi	1,697,255	454,147	--
Montana	500,164	623,196	--
Nebraska	421,674	441,676	--
North Dakota	3,189,246	2,048,232	--
Ohio	566,526	352,385	--
South Dakota	3,070,248	1,009,894	--
Wisconsin	713,610	484,887	--
Undistributed	81	346,281	\$8,000,000
<b>Subtotal, ASCS</b>	<b>18,124,998</b>	<b>9,899,730</b>	<b>8,000,000</b>
SCS Technical Assistance	1,137,302	640,000	--
<b>Total, Available or Estimate</b>	<b>\$19,262,300</b>	<b>\$10,539,730</b>	<b>\$8,000,000</b>

## WATER BANK PROGRAM

## STATUS OF PROGRAM

Current Activities: Under the Water Bank Program, persons having eligible wetlands in selected migratory waterfowl nesting, breeding, and feeding areas enter into 10-year agreements, with provision for renewal, and receive annual payments for preserving wetlands.

The Water Bank Act, as amended by P.L. 96-182, January 2, 1980, authorizes the Secretary to review rental rates on agreements at the beginning of the fifth year and at time of renewal, and to adjust these rates if land and crop values have changed.

The amended Act also specifies that payments cannot exceed \$30 million in any calendar year, and that not more than 15 percent of the funds authorized to be appropriated in any fiscal year may be used for agreements in any one State.

Selected Examples of Recent Progress:

The 495 agreements entered in 1983 expired December 31, 1992, and were eligible for renewal in 1993. During fiscal year 1993, 1,026 renewals or new agreements were signed with landowners to protect 119,951.4 acres. From 1984 through September 1993, 6,551 agreements were entered into on 737,626.2 acres of land.

The tables that follow show (a) 1993 calendar year agreements by State through September 1993, and (b) the status of calendar year agreements from 1984 through September 1993.

Water Bank Program  
1993 Calendar Year Agreements  
As of September 30, 1993

State	Number of Approved Counties	Number of Agreements	Designated Acres	Annual Payments for Designated Acreage
Arkansas	17	161	30,599.2	\$195,649
California	12	11	2,307.8	27,419
Kentucky	2	--	--	--
Louisiana	11	133	15,612.7	102,716
Minnesota	48	181	9,610.3	274,659
Mississippi	20	90	20,150.5	169,591
Montana	10	24	2,952.9	49,536
Nebraska	24	29	1,475.2	35,108
North Dakota	36	176	19,448.6	286,512
Ohio	6	40	1,588.8	31,301
South Dakota	40	123	13,669.6	233,925
Wisconsin	22	58	2,535.8	66,858
<b>Total</b>	<b>248</b>	<b>1,026</b>	<b>119,951.4</b>	<b>\$1,473,274</b>

Water Bank Program  
Status of Calendar Year Agreements  
1984 Through September 30, 1993

Calendar Year	Number of Agreements	Total Acres	Wetland Acres	Adjacent Acres	Annual Payments
1984	569	57,234.6	23,328.8	33,905.8	\$810,206
1985	540	63,400.8	23,851.3	39,549.5	845,720
1986	329	36,512.5	13,623.3	22,889.2	506,035
1987	479	57,811.2	23,455.5	34,355.7	867,110
1988	493	63,726.6	25,609.8	38,116.8	950,129
1989	533	62,134.5	30,017.1	32,117.4	881,790
1990	744	75,141.2	35,987.3	39,153.9	1,039,442
1991	794	87,152.4	42,337.3	44,815.1	1,194,820
1992	1,044	114,561.0	63,317.4	51,243.6	1,555,498
1993	1,026	119,951.4	73,830.7	46,120.7	1,473,274
Total	6,551	737,626.2	355,358.5	382,267.7	\$10,124,024

## AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Wetlands Reserve Program

For necessary expenses to carry out the Wetlands Reserve Program pursuant to subchapter C of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3837), [\$66,675,000] \$240,900,000, to remain available until expended: Provided, That the Secretary is authorized to use the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of carrying out the Wetlands Reserve Program; Provided further, That beginning in fiscal year 1995, none of the funds under this head may be used for salaries and expenses.

The change in language prohibits the use of WRP funds for salaries and expenses.



WETLANDS RESERVE PROGRAM

Appropriations Act, 1994 .....	\$66,675,000
Budget Estimate, 1995 .....	<u>240,900,000</u>
Increase in Appropriation .....	<u>+174,225,000</u>

## Adjustment in 1994:

Appropriation Act, 1994 .....	\$66,675,000	
Transfer to SCS for technical assistance.....	<u>-5,250,000</u>	
Adjusted base for 1994.....		61,425,000
Budget Estimate, 1995.....		<u>240,900,000</u>
Increase over adjusted 1994.....		<u>+179,475,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Other Changes</u>	<u>1995 Estimated</u>
Easement payments .....	\$54,225,000	+\$162,675,000	\$216,900,000
Cost-sharing .....	4,875,000	+14,625,000	19,500,000
Easement overhead costs .	<u>2,325,000</u>	<u>+2,175,000</u>	<u>4,500,000</u>
Total Available.....	<u>61,425,000</u>	<u>+179,475,000</u>	<u>240,900,000</u>

PROJECT STATEMENT

(On basis of adjusted appropriation)

Project	1993 Actual	1994 Estimated	Increase	1995 Estimate
Easement payment ...	--	\$54,225,000	+\$162,675,000	\$216,900,000
Cost-sharing.....	--	4,875,000	+14,625,000	19,500,000
Easement overhead costs.....	--	<u>2,325,000</u>	<u>+2,175,000</u>	<u>4,500,000</u>
Total available or estimate .....	--	61,425,000	+179,475,000 (1)	240,900,000
Transfer to SCS for technical assistance	--	<u>5,250,000</u>		
Total, Appropriation	--	66,675,000		

NOTE: Under the Secretary's proposed reorganization plan, this account will be part of the Natural Resources Conservation Service.

**PROJECT STATEMENT**  
(On basis of available funds)

Project	1993 Actual	1994 Estimated	Increase	1995 Estimated
Easement payments...	\$4,372,456	\$86,877,000	+\$130,023,000	\$216,900,000
Cost-sharing .....	56,532	7,434,000	+12,066,000	19,500,000
Easement overhead costs .....	<u>44,454</u>	<u>2,797,558</u>	<u>+1,702,442</u>	<u>4,500,000</u>
Subtotal .....	4,473,442	97,108,558	+143,791,442	240,900,000
Unobligated balance brought forward from prior years ..	-43,257,000	-35,683,558	+35,683,558	--
Unobligated balance carried forward to next year.....	<u>35,683,558</u>	<u>--</u>	<u>--</u>	<u>--</u>
Total available or estimate.....	-3,100,000	61,425,000	+179,475,000	240,900,000
Transfer to SCS for technical assistance.....	<u>3,100,000</u>	<u>5,250,000</u>		
Total, Appropriation.....	--	66,675,000		

**EXPLANATION OF PROGRAM**

The Wetlands Reserve Program (WRP) is a mandatory program (subject to the availability of appropriations) authorized by Section 1237 of the Food Security Act, as added by Section 1438 of the Food, Agriculture, Conservation, and Trade Act of 1990, and amended by the 1993 Omnibus Budget Reconciliation Act. The WRP is one component of the larger Environmental Conservation Acreage Reserve Program (ECARP), which also includes the Conservation Reserve Program (CRP). The 1990 FACT Act authorized the Secretary to enroll at least 40 million acres in ECARP by the end of 1995, including, to the extent practicable, 1 million acres in the WRP. The 1993 Omnibus Budget Reconciliation Act extends the WRP from 1995 to 2000 and requires enrollment of not fewer than 330,000 acres cumulative by the end of calendar year 1995, and not fewer than 975,000 acres cumulative by the end of calendar year 2000.

The primary objectives of the Wetlands Reserve Program are to preserve, protect, and restore valued wetlands, and improve wildlife and migratory bird habitat. Wetland restoration will improve water quality and provide flood water retention, ground water recharge, open space, and aesthetic values.

The Secretary of Agriculture, through designated ASCS county offices, uses program funds to enter into contracts with landowners who operate farmed or converted wetlands, and adjoining land or riparian corridors. The contracts provide for the purchase of permanent easements or easements of 30 years or the maximum period allowable under State law. Payments are authorized in either a lump sum or annual installments. The Wetlands Reserve Program entails coordination and consultation with other USDA and non-USDA agencies such as the Environmental Protection Agency. Technical assistance is provided by the Soil Conservation Service, Fish and Wildlife Service, Forest Service, and the Extension Service for education and information services.

Appropriations fully fund all program costs up front, even though payments may be made over a multi-year period.

The fiscal year 1992 appropriation provided initial funding of \$46.357 million for a pilot program in nine States to enroll up to 50,000 acres, and 49,888 acres were actually enrolled. Congress did not provide funding for a fiscal year 1993 signup. The fiscal year 1994 appropriation provides \$66.675 million for a fiscal year 1994 signup to acquire easements on not more than 75,000 acres. The 1995 President's Budget proposes enrollment of 300,000 acres, for a total of 424,888 acres through 1995, leaving 550,112 acres to be enrolled by the end of calendar year 2000.

#### 1994 Program

1. Participating States. Under the fiscal year 1994 program, the WRP will be available in 20 States: Arkansas, Illinois, Indiana, Kansas, Oregon, Nebraska, Tennessee, Texas, Washington, South Dakota, and Virginia, along with the 1992 pilot States of California, Iowa, Louisiana, Minnesota, Mississippi, Missouri, New York, North Carolina, and Wisconsin.
2. Bid Offers and Ranking. Interested landowners in these States will submit non-binding "intentions to participate" during the 1994 signup period. Only permanent easements will be accepted.

Beginning with the 1994 signup, within 6 weeks of the signup period, the Soil Conservation Service, with the assistance of the Fish and Wildlife Service, will meet with eligible landowners to develop preliminary plans that will include restoration practices and the size and location of the easement area.

WRP intentions are evaluated at the county office level to determine whether the landowner and the land offered meet basic eligibility requirements. Ineligible persons or land are disqualified. Each WRP intention will also be evaluated at the National level to determine whether the intention data meets a minimum environmental benefit threshold. For the fiscal year 1994 signup, two ranking processes may be established: one at the National level, and, optionally, one at the State level. Both State offices and the National level will ensure that intentions accepted will not exceed the fair market value of the land based on county committee-determined land value or appraisals, as applicable.

3. Obligation of Funds. Experience with the fiscal year 1992 signup has shown that the bid acceptance and easement filing processes are lengthy, and two or more years may elapse between the time a landowner signs up for the program and the time that the easement is filed, at which time funds under provisions of the 1992 program are obligated. Beginning in 1994, in order to accelerate the obligation of WRP funds, program funds will be obligated upon bid acceptance rather than filing of the easement. To accomplish this, appropriate language will be included in the WRP easement contract that will tie obligation recordation to bid acceptance by the Government. There will also be contract language stating that the easement must be filed within 12 months of signup.

Program Payments. In the fiscal year 1992 signup, 82 percent of all participants elected the lump-sum payment option, and 18 percent elected the annual installment payment option. For the fiscal year 1994 signup, only lump-sum payments will be available. A landowner may receive 10 percent of the total easement amount on an annual basis, with the remainder paid upon completion of all restoration practices. Compensation will be in cash as specified in the contract, but will not exceed the fair market value of the land. The program also shares up to 75 percent of eligible restoration costs.



Easement acquisition rates for the 1992 pilot program averaged \$722.65 per acre for lump-sum easement payments, \$833.41 for annual installment easement payments, and \$52.43 per acre for cost-sharing of restoration costs. Easement overhead costs, including surveys, title searches, abstracts, attorney fees, and certain appraisal costs, averaged approximately \$10.35 per accepted acre. SCS technical assistance was charged at the rate of \$124.00 per accepted acre.

Easement acquisition rates for the 1994 signup and future signups are estimated at \$723.00 per acre for lump-sum easement payments and cost-sharing of restoration is estimated at \$65.00 per acre. Easement overhead costs are estimated at \$15.00 per acre.

### Reports to Congress

In accordance with H. Rept. 102-815, the conference report on the fiscal year 1993 agriculture appropriations bill, a report, including an analysis of the 1992 program, was submitted to the appropriate committees of Congress in February, 1993.

In accordance with S. Rept. 103-102, the Senate report on the fiscal year 1994 agriculture appropriations bill, a report was provided to Congress on December 30, 1993, on proposed action to lower the per-acre cost of acreage enrolled in the 1994 signup and to improve the overall cost-effectiveness of the program.

### JUSTIFICATION OF INCREASE

- (1) An increase of \$179,475,000 for Wetlands Reserve Program easement payments, cost-sharing, and easement overhead costs (\$61,425,000 available in fiscal year 1994).

Need for Change. The 1995 budget request of \$240.9 million will support the protection and restoration of wetlands and enhance wildlife habitat for migratory birds and other wildlife on 300,000 acres. The 1993 Omnibus Budget Reconciliation Act requires the Secretary of Agriculture to enroll not fewer than 330,000 acres by the end of calendar year 1995, and not fewer than 975,000 by the end of calendar year 2000. 49,888 acres were accepted in the fiscal year 1992 pilot program. Congress provided no funding for the program in fiscal year 1993 but provided for enrollment of 75,000 acres in 1994. The 1995 budget proposes a signup of 300,000 acres, for a cumulative enrollment of approximately 425,000 acres by the end of calendar year 1995, leaving a minimum of approximately 550,000 acres to be enrolled by the end of calendar year 2000.

Funds for technical assistance will be provided directly through appropriations to the Soil Conservation Service. No funds are included for technical assistance within the Wetlands Reserve Program appropriations request. An increase in the discretionary cap will accommodate this shift in funding from a mandatory to a discretionary source.

Beginning in 1995, the program would be available nationwide.

Nature of Change. The 1995 budget request is based on the results of the 1992 pilot program signup. The assumed rates per accepted acre are:

\$723	for lump-sum easement payments
\$65	for restoration costs
\$15	for easement overhead costs, including surveys, title searches, abstracts, attorney fees, and appraisal fees.



The 1995 budget request assumes that participants will receive lump-sum easement payments only. The budget also assumes that obligation of funds will begin the year of signup. The requested fiscal year 1995 funding would provide:

\$216.9 million for easement payments  
 \$19.5 million for cost-sharing  
 \$4.5 million for easement overhead costs

The following tables show (a) outlays for fiscal year 1993 and (b) geographic breakdown of obligations for fiscal years 1993-1995.

Wetlands Reserve Program

Fiscal Year 1993 Outlays by State

State	Outlay
Arkansas	--
California	\$1,569,255
Illinois	--
Indiana	--
Iowa	82,879
Kansas	--
Louisiana	256,962
Minnesota	1,935
Mississippi	62,668
Missouri	100,473
Nebraska	--
New York	2,500
North Carolina	3,600
Oregon	--
South Dakota	--
Tennessee	--
Texas	--
Virginia	--
Washington	--
Wisconsin	35,428
SCS Technical Assistance	13
Undistributed	6,186,074
<b>Total</b>	<b>\$8,301,787</b>

Wetlands Reserve Program  
Geographic Breakdown of Obligations  
Fiscal Year 1993 and Estimated Fiscal Years 1994 and 1995

State	1993 Actual	1994 Estimated	1995 Estimated
Arkansas	--	--	--
California	\$1,580,762	--	--
Illinois	--	--	--
Indiana	--	--	--
Iowa	513,974	--	--
Kansas	--	--	--
Louisiana	692,356	--	--
Minnesota	21,519	--	--
Mississippi	62,669	--	--
Missouri	464,359	--	--
Nebraska	--	--	--
New York	2,500	--	--
North Carolina	3,600	--	--
Oregon	--	--	--
South Dakota	--	--	--
Tennessee	--	--	--
Texas	--	--	--
Virginia	--	--	--
Washington	--	--	--
Wisconsin	151,658	--	--
Undistributed	980,045	97,108,558	240,900,000
Subtotal, ASCS	4,473,442	97,108,558	240,900,000
SCS Technical Assistance	3,100,000	5,250,000	--
Total, Available or Estimate	\$7,573,442	\$102,358,558	\$240,900,000

## WETLANDS RESERVE PROGRAM

## STATUS OF PROGRAM

Current Activities: Under the 1992 pilot program in effect for fiscal year 1993, the Wetlands Reserve Program (WRP) operated in nine States under State and county ASC committees with technical assistance provided by the Soil Conservation Service, and the Fish and Wildlife Service of the United States Department of the Interior. Congress did not provide a fiscal year 1993 appropriation. Under the pilot WRP, ASCS purchases permanent easements on up to 50,000 acres from participating landowners who agree to preserve, restore, and protect their eligible lands.

Eligible lands under the program may include:

- cropped wetlands
- eligible acres already enrolled in the Conservation Reserve Program
- riparian areas
- non-wetland areas occurring within a restorable wetland area
- non-cropped natural wetlands
- buffer areas
- wetlands restored under a Federal or State program.

Features of the program include:

- Restoration practices. Two practices were authorized under the 1992 pilot program:
  - Wetlands restoration
  - Vegetative cover establishment.
- Contracts. The FACT Act authorized both permanent and non-permanent easement contracts with landowners. The pilot WRP will purchase only permanent easements, which will remain in effect even if land ownership changes. Both permanent and non-permanent easements of 30 years or the maximum duration allowed under applicable State law may be considered under any future nationwide program.
- Easement payments. In exchange for granting a permanent easement and implementing a wetland restoration and protection plan, the landowner may receive monetary compensation in the form of either 10 equal annual installments or a lump sum payment.
- Cost-share payments. Under the pilot WRP, 75 percent of the cost of the eligible practice will be paid to program participants to restore the land to wetland condition and provide wildlife habitat.
- Easement overhead costs. Reimbursement of easement overhead costs will be provided from available program funding, rather than borne by the landowner. Such overhead costs include the recording of the easement in the State and county where the land is located, and applicable charges for abstracts, surveys, appraisal fees, title insurance and taxes associated with acquiring an easement.

- Technical assistance. The Soil Conservation Service (SCS) and the Fish and Wildlife Service develop a preliminary plan (WRPO) for offered acres initially determined eligible. The plan specifies the manner in which the wetlands and adjacent lands must be restored, operated, and maintained, as well as any compatible uses reserved to the landowner. Once an offer is accepted, SCS assists in establishing required practices for the easement area.

Examples of Recent Progress:

- First WRP signup. The fiscal year 1992 signup was held in June 1992 in nine States participating in the pilot program -- California, Iowa, Louisiana, Minnesota, Mississippi, Missouri, New York, North Carolina, and Wisconsin. Landowners offered intentions to participate on approximately 466,000 acres.
- Wetland restoration plans. WRPO's were developed for the accepted acres determined to be eligible.
- Bid acceptance. Of the 466,000 acres on which intention to participate were offered in fiscal year 1992, bids were submitted on approximately 249,000 acres. 49,888 acres were accepted in fiscal year 1993. Accepted landowners' bids were for the amount of compensation the Federal Government would pay for an easement on their land.

The tables that follow show (a) fiscal year 1993 outlays by program activity, (b) fiscal year 1993 allocations by State, (c) bid activity in fiscal year 1993, and (d) number of accepted acres by type of wetlands.



Wetlands Reserve Program  
Fiscal Year 1993 Outlays by Activity

State	Permanent Easement	Restoration	Easement Overhead Costs	Total
New York	\$0	\$0	\$2,500	\$2,500
TOTAL NORTHEAST AREA	0	0	2,500	2,500
Iowa	80,997	0	1,882	82,879
Minnesota	1,935	0	0	1,935
Missouri	95,953	1,418	3,102	100,473
Wisconsin	34,353	304	771	35,428
TOTAL MIDWEST AREA	213,238	1,722	5,755	220,715
Louisiana	201,200	48,345	7,417	256,962
Mississippi	50,294	6,465	5,922	62,681
North Carolina	0	0	3,600	3,600
TOTAL SOUTHEAST AREA	251,494	54,810	16,939	323,243
California	1,549,995	0	19,260	1,569,255
TOTAL SOUTHWEST AREA	<u>1,549,995</u>	<u>0</u>	<u>19,260</u>	<u>1,569,255</u>
TOTAL ALL AREAS	<u>\$2,014,727</u>	<u>\$56,532</u>	<u>\$44,454</u>	<u>\$2,115,713</u> a/

a/ Excludes SCS technical assistance. Total outlays, including \$6,186,074 for SCS technical assistance, are \$8,301,787.

Wetlands Reserve Program  
FY 1993 Allocations by State

State	Allocations
New York	\$203,479
TOTAL NORTHEAST AREA	203,479
Iowa	5,319,450
Minnesota	676,701
Missouri	2,421,653
Wisconsin	1,102,192
TOTAL MIDWEST AREA	9,519,996
Louisiana	8,137,016
Mississippi	8,918,153
North Carolina	3,090,926
TOTAL SOUTHEAST AREA	20,146,095
California	10,020,785
TOTAL SOUTHWEST AREA	10,020,785
TOTAL ALL AREAS	<u>\$39,890,355</u>

Wetlands Reserve Program  
Bid Activity in Fiscal year 1993

Submitted Easement Bids in FY 1992				Accepted Easement Bids in FY 1993		
<u>State</u>	<u>Number of Farms</u>	<u>Average Easement Acres Per Farm</u>	<u>Number of Acres Submitted</u>	<u>Number of Farms</u>	<u>Average Easement Acres Per Farm</u>	<u>Number of Acres Bid</u>
New York	20	25	496	5	14	72
TOTAL NORTHEAST AREA	20	25	496	5	14	72
Iowa	367	76	27,889	83	61	5,096
Minnesota	106	124	13,119	10	71	706
Missouri	135	108	14,575	21	127	2,669
Wisconsin	117	73	8,516	29	57	1,647
TOTAL MIDWEST AREA	725	88	64,099	143	71	10,118
Louisiana	243	288	69,912	43	327	14,075
Mississippi	245	265	64,957	47	317	14,884
North Carolina	35	437	15,299	6	786	4,713
TOTAL SOUTHEAST AREA	523	287	150,168	96	351	33,672
California	46	746	34,296	21	287	6,026
TOTAL SOUTHWEST AREA	46	746	34,296	21	287	6,026
TOTAL ALL AREAS	1,314	190	249,059	265	188	49,888

Wetlands Reserve Program  
Number of Accepted Pilot WRP Acres by Eligible Wetlands

State	Prior Converted Cropland	Farmed Wetlands	Farmed Natural Wetlands	Natural Wetlands	Riparian Areas	Cropped Uplands	Non- cropped Uplands	Total Accepted Acres
New York	45	1	0	2	0	24	0	72
TOTAL NORTHEAST AREA	45	1	0	2	0	24	0	72
Iowa	1,584	1,883	753	289	82	393	111	5,095
Minnesota	392	88	0	1	0	211	14	706
Missouri	2,140	179	5	165	7	161	12	2,669
Wisconsin	1,112	258	79	105	3	79	11	1,647
TOTAL MIDWEST AREA	5,228	2,408	837	560	92	844	148	10,117
Louisiana	5,243	8,283	0	424	0	125	0	14,075
Mississippi	9,500	4,840	0	534	10	0	0	14,884
North Carolina	4,631	0	0	59	0	0	23	4,713
TOTAL SOUTHEAST AREA	19,374	13,123	0	1,017	10	125	23	33,672
California	4,757	822	10	263	46	23	106	6,026
TOTAL SOUTHWEST AREA	4,757	822	10	263	46	23	106	6,026
TOTAL ALL AREAS	29,404	16,354	847	1,842	148	1,016	277	49,888



## COMMODITY CREDIT CORPORATION

Purpose Statement

The Commodity Credit Corporation (CCC) is a wholly-owned Government corporation created in 1933 to stabilize, support, and protect farm income and prices; to help maintain balanced and adequate supplies of agricultural commodities, including products, foods, feeds, and fibers; and to help in the orderly distribution of these commodities. CCC was originally incorporated under a Delaware charter and was reincorporated June 30, 1948, as a Federal corporation within the Department of Agriculture by the Commodity Credit Corporation Charter Act, approved June 29, 1948 (15 U.S.C. 714).

The principal operations conducted by CCC are support programs for agricultural commodities. These include the storage, handling, and disposition of commodities acquired under the various programs; and set-aside or acreage reduction, loan deficiency, deficiency, disaster, and/or diversion payment programs for feed grains, wheat, rice, and cotton; certificate programs; and special activities, such as those under the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480), which are financed by appropriations authorized by statutes providing for these activities. Under section 201 of the Agricultural Trade Act of 1978, as amended, CCC may finance short-term export credit sales on credit terms not to exceed three years under the Export Credit Sales Program. The Corporation is also authorized by section 201 to finance intermediate-term export credit sales in excess of three years, but not more than 10 years. The Corporation is also authorized under section 202 of the Agricultural Trade Act of 1978, as amended, to enter into export guarantee financing arrangements with respect to exported commodities.

Management of the Corporation is vested in a board of directors, subject to the general supervision and direction of the Secretary of Agriculture who is an ex-officio director and chairman of the board. The board consists of seven members, in addition to the Secretary, who are appointed by the President of the United States with the advice and consent of the Senate. Officers of the Corporation are designated according to their positions in the Department of Agriculture. The activities of the Corporation are carried out mainly by the personnel and through the facilities of the Agricultural Stabilization and Conservation Service (ASCS) and the Agricultural Stabilization and Conservation (ASC) State and county committees. The General Sales Manager, the Foreign Agricultural Service, other agencies and offices of the Department, and commercial agents are also used to carry out certain phases of the Corporation's activities.

ASCS administers CCC's activities through its headquarters offices in Washington, D.C., and the Kansas City field offices.

The ASC State and county committees carry out certain support and related activities of the Corporation within the States and counties. There are 50 State offices, an insular area office in Puerto Rico, and approximately 2,800 county offices. The ASC State committees supervise the activities of the ASC county committees in their respective States.

## FINANCING

Borrowing Authority

The Corporation has an authorized capital stock of \$100 million held by the United States, with the authority to have outstanding borrowings of up to \$30 billion at any one time. P.L. 95-279, approved May 15, 1978, increased the statutory borrowing authority to \$25 billion from \$20 billion, to the extent provided in appropriations acts. The fiscal year 1982 supplemental appropriations act, P.L. 97-257, increased the availability to \$25 billion. The fiscal year 1988 appropriations act, P.L. 100-202, increased the statutory borrowing authority to \$30 billion.

Funds are borrowed from the Treasury and may also be borrowed from private lending agencies and others. The Corporation reserves a sufficient amount of its borrowing authority to purchase at any time all notes and other obligations evidencing loans made by such agencies and others. All bonds, notes, debentures, and similar obligations issued by the Corporation are subject to approval by the Secretary of the Treasury as required by the Act of March 8, 1938 (15 U.S.C. 713a-4). Reservation of borrowing authority for these purposes has not been required for many years.

Interest on borrowings from the Treasury (and on capital stock) is paid at a rate based upon the average interest rate of all outstanding marketable obligations (of comparable maturity date) of the United States as of the preceding month. Interest may also be paid on other notes and obligations at a rate prescribed by the Commodity Credit Corporation and approved by the Secretary of the Treasury.

The Department of Agriculture and Related Agencies Appropriations Act, 1966, made provision for terminating interest after June 30, 1964, on the portion of the Corporation's borrowings from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after the end of the fiscal year in which such losses are realized.

#### Contract Authority

Support and other programs required by statute may result in the Corporation's incurring obligations in excess of available funds or borrowing authority. Such obligations are liquidated from subsequent appropriations and other funds which may become available to the Corporation. Any increase in obligations in excess of available fund resources is reported as contract authority in the year involved; a decrease is reported as the application of appropriations and other funds to liquidate the contract authority.

#### Appropriations:

##### Reimbursement for Net Realized Losses

Under Public Law 87-155 (15 U.S.C. 713a-11, 713a-12), annual appropriations were authorized for each fiscal year, commencing with fiscal year 1961, to reimburse the Corporation for net realized losses. The Omnibus Budget Reconciliation Act of 1987 amended Public Law 87-155 to authorize that the Corporation be reimbursed for its net realized losses by means of a current, indefinite appropriation.

##### Disaster Payments

The Dire Emergency Supplemental Appropriations Act of 1992, P.L. 102-229, enacted December 12, 1991, provided \$995,000,000 for payments to producers for losses on either 1990 or 1991 crops, at the producer's option. The remaining portion (\$755,000,000) of the funding appropriated by P.L. 102-229 was made available by request of the President on September 2, 1992, for disaster payments on 1990, 1991, or 1992 crops. The fiscal year 1992 Dire Emergency Supplemental Appropriations Act, P.L. 102-368, enacted September 23, 1992, provided additional funding for eligible crop losses associated with natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar. An initial amount of \$382,000,000 in appropriated funding was available immediately. An additional amount of \$100,000,000 was made available based on an official budget request submitted by the President. P.L. 102-368 also provided a separate appropriation for the Tree Assistance Program of \$48,000,000.

The Supplemental Appropriations Act of 1993, P.L. 103-50, enacted July 2, 1993, authorized payments using the remaining balances from P.L. 102-229 and P.L. 102-368 for 1990, 1991, and 1992 crop quality adjustments and for 1993, 1994, and 1995 crop losses related to Hurricanes

Andrew and Iniki and Typhoon Omar. The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, authorized \$1,450,000,000 in appropriated funds for 1993 crop losses (including the \$100 million originally appropriated by P.L. 102-368) due to damaging weather and related conditions occurring in 1993. The use of CCC funds was also authorized if extraordinary circumstances existed that warranted further assistance from CCC.

#### National Wool Act

Under section 705 of the National Wool Act, as amended (7 U.S.C. 1781-1787), a permanent appropriation is made to reimburse the Corporation for amounts expended during the preceding fiscal year and for amounts expended in prior fiscal years not previously reimbursed. This appropriation may not exceed 70 percent of the gross receipts from duties collected on wool and wool manufactures during the immediately preceding calendar year.

#### CCC Export Credit Guarantee Liquidating Account

Under the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990, a permanent, indefinite appropriation for the Corporation's Export Credit Guarantee Programs (GSM-102 and GSM-103) is authorized to cover the obligations and commitments of pre-fiscal year 1992 guarantees. Use of this authority to date included \$2,756,817,000 which was transferred to the CCC revolving fund and used in early fiscal year 1992 to repay all CCC notes payable (borrowings) incurred while financing CCC export guarantee claims incurred prior to October 1, 1991. Additional fiscal year 1993 authority of \$443,570,000 was used to finance the payment of claims in fiscal year 1993 for export guarantee commitments incurred prior to October 1, 1991. Because of the availability of this permanent, indefinite appropriation, this activity is no longer financed by CCC's \$30 billion borrowing authority.

#### CCC Export Credit Guarantee Program Account

Under the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990, a permanent, indefinite appropriation for the Corporation's Export Credit Programs (GSM-102 and GSM-103) is authorized to cover the subsidy costs of the current year's program. The fiscal year 1995 appropriation represents the present value of CCC's estimated net cashflows over the lifetime of the credit guarantees made in fiscal year 1994. This activity is also not financed by the Corporation's \$30 billion borrowing authority. A current, definite amount is appropriated by Congress for the administrative costs of carrying out the export guarantee programs.

Commodity Credit Corporation  
Available Funds  
1993 Actual and Estimated 1994 and 1995

Item	1993 Actual	1994 Estimated	1995 Estimated
Reimbursement for Net Realized Losses.....	\$9,200,000,000	\$18,000,000,000	\$15,500,000,000
Appropriations for Disaster Payments.....	1,880,000,000 <u>a/</u>	---	---
Reimbursement to CCC National Wool Act.....	191,115,000	179,305,000	197,952,000
CCC Export Credit Guarantee Liquidating Account.....	443,570,000	---	---
CCC Export Credit Guarantee Program Account (permanent, indefinite).....	388,170,000	403,238,000	394,393,000
CCC Export Credit Guarantee Program Account Subsidy Reestimate (permanent, indefinite).....	363,894,000	-3,342,000	---
CCC Export Loans Program Account (current, definite).....	3,320,000	3,381,000	3,437,000
Total Commodity Credit Corporation.....	<u>\$12,470,069,000</u>	<u>\$18,582,582,000</u>	<u>\$16,095,782,000</u>

a/ \$430 million was appropriated in late fiscal year 1992 by P.L. 102-368, but not warranted to CCC until early fiscal year 1993.



CLASSIFICATION BY OBJECTS1993 and Estimated 1994 and 1995

(thousands of dollars)

	<u>1993</u>	<u>1994</u>	<u>1995</u>
22 Transportation of things.....	\$873,812	\$613,369	\$376,032
25 Other services.....	1,243,630	438,336	90,453
Storage and handling (including producer storage payments).....	95,698	112,421	91,938
26 Supplies and materials (cost of commodities sold or donated):			
Foreign Assistance Programs.....	617,181	734,611	620,555
Other.....	1,761,353	1,905,251	1,631,216
31 Equipment.....	31,740	34,920	0
33 Investments and loans.....	10,453,866	8,047,693	9,707,711
41 Grants, subsidies, and contributions	9,794,607	9,542,051	8,972,181
43 Interest and dividends.....	<u>243,523</u>	<u>298,565</u>	<u>368,493</u>
Total obligations.....	<u>25,115,410</u>	<u>21,727,217</u>	<u>21,858,579</u>

## COMMODITY CREDIT CORPORATION

The estimates include appropriation language for this item as follows: (new language underscored; deleted matter enclosed in brackets):

COMMODITY CREDIT CORPORATION FUNDReimbursement for Net Realized Losses:

- 1 For fiscal year [1994] 1995, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not
- 2 previously reimbursed [(estimated to be \$20,896,614,000 in the President's fiscal year 1994 Budget Request (H. Doc. 103-3)), but not to exceed \$18,000,000,000], pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a-11).

Operations and Maintenance for Hazardous Waste Management:

- 3 For fiscal year [1994] 1995, the Commodity Credit Corporation shall not expend
- 4 more than [\$4,000,000] \$5,000,000 for expenses to comply with the requirement of Section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and Section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: Provided, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

5 [Short-Term Export Credit:]

[The Commodity Credit Corporation shall make available not less than \$5,000,000,000 in credit guarantees under its export credit guarantee program for short-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).]

6 [Intermediate Export Credit:]

[The Commodity Credit Corporation shall make available not less than \$500,000,000 in credit guarantees under its export guarantee program for intermediate-term credit extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 211(b)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).]

7 [Emerging Democracies Export Credit:]

[The Commodity Credit Corporation shall make available not less than \$200,000,000 in credit guarantees under its Export Guarantee Program for credit expended to finance the export sales of United States agricultural commodities and the products thereof to emerging democracies, as authorized by section 1542 of Public Law 101-624 (7 U.S.C. 5622 note).]

The first change updates the fiscal year designation of the current, indefinite appropriation to reimburse the Corporation for net realized losses sustained.

The second change is proposed to eliminate the ceiling on the current, indefinite appropriation authority. The ceiling limits the flexibility CCC would otherwise have to request funds as needed from the Treasury to avoid operating disruptions due to a lack of sufficient funds.

The third change updates the fiscal year designation for the ceiling on expenditures in connection with CCC's hazardous waste management costs for operations and maintenance.

The fourth change increases the fiscal year ceiling on expenditures in connection with CCC's hazardous waste management costs for operations and maintenance to \$5,000,000, based on a projected change in the operations and maintenance phase of CCC's hazardous waste management program.

The fifth, sixth, and seventh changes delete all appropriation language pertaining to export credit authorizations in accordance with the Federal Credit Reform Act of 1990. This language is not needed in the appropriations since the export credit authorizations are permanent authority.

Reimbursement for Net Realized Losses

Appropriation Act, 1994.....	\$18,000,000,000
Budget Estimate, 1995.....	<u>\$15,500,000,000</u>
Decrease in Appropriation.....	<u>-2,500,000,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

Item of Change

	1994	Change	1995
	<u>Estimated</u>		<u>Estimated</u>
Reimbursement of losses:			
1991 actual losses.....	\$3,020,385,851	-\$3,020,385,851	---
1992 actual losses.....	11,675,965,395	-11,675,965,395	---
1993 actual losses.....	3,303,648,754	+5,846,989,401	\$9,150,638,155
1994 estimated losses.....	---	+6,349,361,845	6,349,361,845
 TOTAL AVAILABLE.....	 \$18,000,000,000	 -\$2,500,000,000	 \$15,500,000,000

PROJECT STATEMENT

(On Basis of appropriation)

Item	1993 Actual	1994 Estimated	Decrease	1995 Estimated
Reimbursement of losses:				
Appropriation...	\$9,200,000,000	\$18,000,000,000	-\$2,500,000,000	\$15,500,000,000



EXPLANATION OF PROGRAMUSDA Goals and Objectives

The USDA goal is to promote economic stability in the farm sector through an approach that retains basic management responsibilities of farmers, provides for the maintenance of adequate food reserves, provides prices reasonable to consumers and competitive in world markets, and minimizes Federal interference in the agricultural economy.

Provisions of the Program

The programs of the Commodity Credit Corporation cover a wide range of operations.

A. The Commodity Credit Corporation is operated by the Agricultural Stabilization and Conservation Service of the Department of Agriculture.

1. Its functions are performed primarily by ASCS employees.
2. It is a corporate entity operating programs primarily related to the support of farm prices and income, but its budget processes must fit not only its own unique characteristics but also the processes used in formulating and executing the overall U.S. Budget.
3. Its operations are closely related to and affected by the operations of other programs financed from other funds - such as Section 32 and School Lunch Programs, and commodity donations under Titles II and III of P.L. 480.
4. Its resources are utilized to carry out a variety of program objectives not strictly related to support operations.

Some of these objectives are the responsibility of agencies other than the Agricultural Stabilization and Conservation Service.

B. CCC operations are unique in many ways.

1. The primary aim of CCC is to assist in stabilizing, supporting, and protecting farm income and prices and to help maintain balanced and adequate supplies of agricultural commodities.
2. CCC operates under a large number of statutory directives and limitations and has broad charter powers, authorizing it to carry out almost any operation required to meet these objectives, including:

- |              |             |                     |
|--------------|-------------|---------------------|
| a. Buying    | d. Donating | g. Transporting     |
| b. Selling   | e. Lending  | h. Making payments  |
| c. Bartering | f. Storing  | i. Other activities |

3. The major activity is support of prices as required or authorized by existing law.
  - a. Under existing law, support of farm prices is accomplished through nonrecourse loans (regular and reserve), payments (in cash, commodity certificate and in-kind), and purchases from farmers or processors.

- b. Under existing law, CCC is required to support the price of corn, cotton, wheat, rice, peanuts, tobacco, dairy products, honey, barley, oats, rye, grain sorghum, sugar, oilseeds and soybeans at levels provided for by law. CCC has to make an offer, open to all producers, to make loans upon or purchase any quantity of these commodities produced which meet eligibility requirements. Eligibility requirements include grade, moisture content, adequacy of storage and compliance with acreage set-aside or acreage reduction provisions, if in effect. Income support in the form of direct payments is also required by law to be available to wool and mohair producers, as well as to feed grain, wheat, cotton and rice growers.
  - c. In addition, CCC may support the prices of other commodities at the discretion of the Secretary.
- 4. CCC has little control over the volume of business it must handle. The relationship of the market price for each commodity to the support price largely determines the volume of that commodity which will be placed under loan or acquired by the CCC. This in turn is determined by weather conditions, insect damage, use of fertilizers, and all other factors influencing production, and by already existing supplies, domestic and export demand, and other factors affecting the market. Dispositions of inventory are governed by the same set of economic factors. These circumstances can cause tremendous variations over relatively short periods in the volume of CCC support operations.
  - 5. CCC also carries out storage facilities activities through contracts with warehousemen, commodity export programs, and other activities. Support operations and resultant inventory management account for the bulk of the total workload.
  - 6. The Dire Emergency Supplemental Appropriations Act of 1992 (P.L. 102-229) was enacted on December 12, 1991 to, among other things, provide funds to help alleviate the effects of recent natural disasters.

\$1,750,000,000 was made available for 1990 through 1992 crop losses. Of this amount, \$995,000,000 was made available for payment to producers for 1990 or 1991 crop losses, at the producer's option.

The remaining \$755,000,000 of the funding appropriated by P.L. 102-229 was made available by request of the President on September 2, 1992, for disaster payments on 1990, 1991, or 1992 program/non program crop losses. In fiscal year 1992, \$961.4 million in 1990 and 1991 crop disaster payments were made in cash from this appropriation. In fiscal year 1993, \$767.0 million in 1990-1992 crop disaster payments were made in cash from this appropriation.

The fiscal year 1992 Dire Emergency Supplemental Appropriations Act, P.L. 102-368, enacted September 23, 1992, provided additional funding for eligible program/non program crop losses associated with natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar. An initial amount of appropriated funding was available immediately, with an additional amount of \$100 million made available after an official budget request was submitted by the President. In order to pay claims at the same prorated factor as the first payments on 1990 and 1991 crops (50.04 percent), use of CCC funds is also authorized as necessary.

The Supplemental Appropriations Act of 1993, P.L. 103-50, enacted July 2, 1993, authorized payments using the remaining balances from P.L. 102-229 and P.L. 102-368 for 1990, 1991, and 1992 crop quality adjustments and for 1993, 1994, and 1995 crop losses related to Hurricanes Andrew and Iniki and Typhoon Omar. The authority to use CCC funds for these crop year losses was also rescinded. Payments resulting from applications for disaster payments which were filed after July 2, 1993 were to be made

under a newly calculated proration factor. The remaining portion of the \$100 million funding appropriated by P.L. 102-368 was made available by request of the President on July 4, 1993. These funds were to fund losses from natural disasters such as those resulting from the Midwest flooding.

The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, appropriated funds for 1993 crop losses due to damaging weather and related conditions occurring in 1993. The Act also required the \$100 million released on July 4, 1993 remain available until June 30, 1994, and be used for 1993 crop disaster losses only. An initial amount of appropriated funding was available immediately, with an additional amount made available after an official budget request was submitted by the President. The use of CCC funds was also authorized if necessary to make payments equal to 100 percent of eligible claims on 1993 losses. The remaining portion of the funding appropriated by P.L. 103-75 was made available by request of the President on August 12, 1993. The use of CCC funds was also authorized on the same day. An application deadline of September 17, 1993 was also established for 1993-1995 crops loss of production claims related to Hurricanes Andrew and Iniki and Typhoon Omar and 1990-1992 crops quality loss claims resulting from other disasters (P.L. 103-50 claims). The Act provides for 1993 crop loss benefits to be paid by June 1994. It also authorizes payments for 1993 crop losses to be made in an amount equal to 100 percent of each eligible claim except for 1993 losses related to Hurricanes Andrew and Iniki and Typhoon Omar.

During the disaster signup period which ends March 4, 1994, payments in an amount of 100 percent of each eligible claim will be made. In fiscal year 1993, \$104.4 million in 1993 crop disaster payments were made from the P.L. 103-75 appropriation. The crop disaster program is estimated to result in the expenditure of \$2,095,608,000 for the 1993 crop and \$50 million for the 1990-1992 crops in fiscal year 1994 under the authorizations describe above. An additional \$500 million is expected to be paid in 1994 crop claims under existing CCC disaster authorities.

#### 7. The Omnibus Budget Reconciliation Act of 1993

The Omnibus Budget Reconciliation Act of 1993 (OBRA-93) was signed into law on August 10, 1993. While modifying and extending some agricultural programs through 1997, this Budget Act serves to contribute additional, albeit modest, savings to the USDA budget. The following is a program-by-program summary of OBRA-93's impact on the various commodity programs financed by the Commodity Credit Corporation (CCC).

#### Wheat, Feed Grains, Rice and Cotton Programs

The OBRA-93 modifies the 0/92 and 50/92 programs to reduce acres eligible for deficiency payments to 85 percent of payment acres for the 1994-97 crops. For wheat and feed grain producers, all or a portion of their permitted crop acreage may be devoted to conserving uses and receive deficiency payments on 85 percent (rather than the current 92 percent) of total payment acres. The cotton/rice producer may plant between 50 - 85 percent of the crops maximum payment acreage and receive deficiency payments on 85 percent of total payment acres. The wheat/feed grains and cotton/rice programs are now referred to as the 0/85 and 50/85, respectively. Exceptions are made for prevented plantings, reduced yields (including failed acres) and alternative crops, for which the existing 0/50/92 program is maintained.



Calculation of deficiency payment rates for the 1992 and 1993 crop years remains the same as in the 1985 farm bill. For the 1994-97 wheat, feed grains, rice and cotton crops, deficiency payment rates will be calculated as outlined in the OBRA 1990 and the FACT Act Amendments of 1991.

In addition, OBRA-93 amends the targeted cotton stocks-to-use ratio. Current law mandates that the Secretary set the Acreage Reduction Program (ARP) rate for cotton at a level that would result in a ratio of carryover to total disappearance of 30%. This gauge has now been reduced to 29.5% for the 1995-96 crop years, and 29% for the 1997 crop year.

The "GATT trigger" language of the OBRA-90, with regard to wheat and feed grain marketing loans, is retained by OBRA-93. Marketing loans were made available to wheat and feed grain producers for the first time in crop year 1993, and will be available through the 1995 crop year.

#### Tobacco Program

The OBRA-93 has made distinct modifications and additions to several commodity programs, most notably, the tobacco program. Three additional assessments have been added to the tobacco program, which will be effective from January 1, 1994. Two of these assessments, the budget deficit (BDA) and no net cost, will be imposed on an importer of tobacco that is produced outside the United States. The budget deficit assessment, which U.S. growers and purchasers have each been paying at a rate equal to 0.5% of the average price support since 1991, is imposed on importers at approximately twice the per pound rate collected from purchasers of domestic tobacco. The BDA is calculated by multiplying the number of pounds imported times the sum of the per pound marketing assessments imposed on purchasers of domestic burley and flue-cured leaf. It will be effective for the 1994-98 calendar years.

The intent of the no net cost assessment is to cover projected losses in operating the tobacco price support program. U.S. growers have paid this assessment since 1982, while purchasers of flue-cured and burley tobacco have been paying these fees since 1986. The new no net cost assessment will be paid by importers of flue-cured and burley tobacco at the rate of the combined fees collected from producers and purchasers of U.S. grown flue-cured and burley leaf. It is calculated by multiplying the per pound amount of tobacco the importer imports by the sum of the per pound assessment which domestic producers and purchasers pay on burley and flue cured tobacco.

An additional assessment, the domestic marketing assessment, will be imposed on a domestic cigarette manufacturer who uses more than 25% imported tobacco to manufacture cigarettes during the calendar year. It is calculated by multiplying the amount of imported tobacco used (in excess of 25%) by the difference between the average of prices per pound received by domestic producers of burley and flue-cured tobaccos and the average price per pound of unmanufactured imported tobacco of the preceding calendar year. This assessment will be implemented from January 1, 1994.

The current marketing assessments imposed on domestic producers and purchasers have not been extended beyond the 1995 crop. Current domestic marketing assessments collected in fiscal year 1993 totaled \$22.0 million dollars.



Dairy and Sugar Programs

The provisions of the dairy price support program have been extended through the 1996 calendar year. The purchase price for butter has been readjusted to no more than \$0.65/pound, and the purchase price for nonfat dry milk has been readjusted to no less than \$ 1.034/pound. The assessment on milk production has been extended, with the 11.25 cent/hundredweight (cwt) assessment being reduced to 10 cents/cwt in the 1996 calendar year. The minimum milk support price remains unchanged at \$10.10 per hundredweight through 1996.

The sugar price support program has been extended through the 1997 crop. The marketing assessments on domestically produced sugar has been increased. For fiscal years 1993 and 1994, the raw cane sugar assessment remains at \$0.0018/pound, and the beet sugar assessment remains at \$0.00193/pound. For fiscal years 1995 through 1998, the raw cane sugar assessment is increased to \$0.00198/pound, while the beet sugar assessment rises to \$0.002123/pound.

Oilseeds and Peanut Programs

Effective with the 1994 crop, loan rates for soybeans and minor oilseeds will be reduced 10 cents and 20 cents, respectively. For soybeans the loan rates will fall from \$ 5.02/lb to \$ 4.92/lb, and for minor oilseeds, from \$ 8.90/cwt to \$ 8.70/cwt. For the 1994-97 crops, soybean and minor oilseed producers must settle all outstanding CCC oilseed loans by September 30 of each fiscal year. In addition, there will be no loan origination fees applied for either soybeans or minor oilseeds starting with the 1994 crop. Total loan origination fees collected in fiscal year 1993 equalled \$2.0 million dollars for the minor oilseeds and \$18.1 million for soybeans.

The peanut price support program has been extended through the 1997 crop. Marketing assessments for peanuts have also been extended, as well as increased through the 1997 crop. The peanut marketing assessments as a percent of the applicable crop year national average support rate are as follows:

Peanut Marketing Assessments

Crop Year	Total Assessment	Producer	1st Purchaser
1993	1.0	.5	.5
1994	1.1	.55	.55
1995	1.1	.55	.55
1996	1.15	.6	.55
1997	1.2	.65	.55

Wool & Mohair and Honey Programs

The OBRA-93, in conjunction with the fiscal year 1994 agriculture appropriations act, will significantly alter the honey program in the upcoming years. For the crop year 1994, Section 728 of the appropriations act amended the Agricultural Act of 1949 to prohibit the Secretary from using funds to provide for payments or loan forfeitures to support the price of honey. This legislation forbids the use of CCC funds for either loan deficiency payments or marketing loan writeoffs for the period of April 1, 1994 through September 30, 1994. The provisions of this act will terminate on October 1, 1994.

OBRA-93 provisions then take effect from October 1, 1994. The OBRA-93 extends the honey price support program through the 1998 crop year. However, the minimum honey price support level has been reduced from the current level of 53.8 cents per pound to 47 cents per pound by the beginning of the 1998 crop year. The amount of payments that may be received by an individual will also be reduced from the current \$150,000,

to \$125,000 in crop year (CY) 1994 and \$100,000 in CY 1995; \$75,000 in CY 1996 and \$50,000 in CY 1997 and 1998. In addition, the honey marketing assessments have been eliminated beginning with the 1994 crop. In fiscal year 1993, \$1.1 million was collected in honey marketing assessments.

Legislation proposed by the Administration now before the Congress, would eliminate the honey program after the 1995 crop of honey. After December 31, 1995, the Secretary would no longer provide loans or payments for honey by using funds of the Commodity Credit Corporation or under authority of any law. Honey eligible for nonrecourse loans, marketing loans, or loan deficiency payments would be restricted to 75% and 50% for the 1994 and 1995 marketing years, respectively. Recourse loans would cover the difference.

OBRA-93 also affected the wool and mohair programs. OBRA-93 limits the maximum amount of incentive payments that an individual can receive to \$125,000 and \$100,000 for the 1994 and 1995 marketing years, respectively. Also, the USDA is prohibited from deducting certain marketing charges (coring, grading and commissions) in determining net sales proceeds and the national payment rates for shorn wool and shorn mohair. Furthermore, OBRA-93 eliminates the marketing assessment for wool and mohair beginning with the 1993 marketing year.

In addition to the OBRA-93, the National Wool Act Amendments of 1993 (P.L. 103-130) effectively repeals the National Wool Act of 1954. The Secretary of Agriculture, beginning January 1, 1996, may not provide loans or payments for wool or mohair by using funds of the Commodity Credit Corporation or under authority of any law. Payments to wool and mohair producers will be restricted to 75 percent and 50 percent of the traditionally-calculated sum for the 1994 and 1995 marketing years, respectively. Recourse loans though, will be made available for the 1994 and 1995 marketing years to wool and mohair producers at no net cost to the Federal government.

8. There are several characteristics of CCC operations which are important in analyzing its budget characteristics and processes.
  - a. CCC deals with millions of producers and utilizes the services of thousands of banks, processors, carriers, exporters, handlers, warehousemen, and others.
  - b. CCC operations involve the handling of millions of documents and transactions during a 12-month period.
  - c. CCC workload is regular. Commodities must be moved, producer payments must be made, warehouse and freight charges must be paid, claims must be settled, and loans must be made and liquidated.
  - d. The manner in which CCC inventories of individual commodities are handled and merchandised is of key importance to both domestic and foreign markets.
  - e. Operating policies directly affect the day-to-day business operations of the many thousands of warehouses, elevators, handlers, processors, banks, exporters, importers, carriers, cooperatives, and others with which business dealings are conducted.
  - f. Trade customs and practices with respect to individual commodities must be observed in operations.
  - g. To support prices, CCC generally makes nonrecourse loans to producers which bear no interest if the borrower does not repay them, and which are fully settled by delivery of the commodity to CCC at maturity of the loans.

h. CCC operations are big:

- (1) The Corporation has an authorized capital stock of \$100 million held by the United States and authority to have outstanding borrowings of up to \$30 billion at any one time. Its capital structure is replenished each year by appropriations, usually to restore realized losses on support operations, and to reimburse costs of other programs.
- (2) Its commodity loans and purchases in fiscal year 1993 amounted to \$10.8 billion. Of total purchases, \$0.1 billion was for commodity certificates transferred from the loan account. These certificate purchases represent a required accounting transaction to show the effect on inventory of certificates used to redeem outstanding commodity loans. The associated reduction in outstanding loans is recorded as a loan repayment receipt, which fully offsets the inventory purchase expenditure. Therefore, no net expenditures result from this required certificate accounting treatment. Sales proceeds totaled \$1.2 billion of which \$0.1 billion was for commodity certificates.

Certificate sales proceeds reflect the certificate issuance value, and like certificate purchases, represent a required accounting transaction to show the effect on inventory of certificate redemptions. The Corporation had outstanding loans on commodities of \$2.7 billion and owned commodities with a cost value of \$1.4 billion on September 30, 1993.

i. Export Credit Guarantees

Under the short-term Export Credit Guarantee Program (GSM-102), CCC guarantees (for up to 3 years) payments due U.S. exporters, or their assignees (U.S. financial institutions), from defaults in payments by foreign banks on export credit sales due to commercial, as well as, noncommercial risks. In fiscal year 1986, an intermediate export credit guarantee program was established under which CCC guarantees payments on export credit with repayment terms up to 10 years (GSM-103). To date, no guarantees have been authorized for periods of more than 7 years.

Total commitments in fiscal year 1993 were \$3.882 billion for the GSM-102 program and \$238.9 million for the GSM-103 program. As required by the Food, Agriculture, Conservation, and Trade Act of 1990, the program level for fiscal year 1993 is established at \$5 billion for the short-term export credit guarantee program (GSM-102) and \$500 million for the intermediate export credit guarantee program (GSM-103).

An additional \$1 billion of credit guarantees is required for emerging democracies for the period fiscal year 1991 through fiscal year 1995. The budget assumes \$200 million of guarantees will be made available in fiscal year 1994 and fiscal year 1995 for this purpose.

The 1995 budget is the fourth budget that reflects credit reform procedures for federal credit programs authorized by the Budget Enforcement Act of 1990, Title XIII of the Omnibus Budget Reconciliation Act of 1990. Basically, these procedures require that budget authority and outlays for these programs represent subsidy costs, such as claims and



administrative expenses, rather than claim disbursements and repayments. The appropriation language will also specify the portion of the requested budget authority to be used for administrative expenses. Budget authority for the subsidy represents the present value of CCC's estimated net cashflows over the lifetime of the loan, whereas outlays represent the portion of the subsidy related to the claim amount disbursed within the year. Budget authority and outlays for the subsidies are presented in the Budget in "loan program accounts." All claim disbursement and repayment activity related to loans made in fiscal year 1992 or later appear in a "financing account" and are considered "off-budget" for purposes of estimating the deficit. Budget authority and outlays for existing (pre-fiscal year 1992) portfolios of guarantees and claims are reflected in the budget in "liquidating accounts" and are calculated as before, to represent disbursements and borrower repayments.

j. Direct Export Credit

Under the short-term export credit sales program (GSM-5), CCC may provide direct financing on terms not to exceed three years for the commercial sales of agricultural commodities from private stocks. There has been no new direct credit program since fiscal year 1985.

k. Net Expenditures

Commodity Credit Corporation net expenditures for fiscal year 1995, in the current law baseline, are estimated at \$9.0 billion, down \$3.1 billion from a level of \$12.1 billion in fiscal year 1994.

Over one-half of the net decrease in projected fiscal year 1995 expenditures from the estimated fiscal year 1994 level is due to a decrease in disaster payments which are estimated to decline from approximately \$2.65 billion in fiscal year 1994 to \$1.0 billion in fiscal year 1995. The decrease in fiscal year 1995 expenditures is also due to projected spending decreases in the rice and tobacco programs. Reductions in rice program expenditures occur because of higher world and domestic prices due in part to the first purchases of U.S. rice by the Japanese, which are expected to decrease participation in the loan and loan deficiency programs. The decrease in tobacco program expenditures is due to an estimated decrease in tobacco loans made in fiscal year 1995 as compared with fiscal year 1994, coupled with an increase in loan repayments.

These decreases are partially offset by an increase in feed grain program outlays reflecting a return to more normal weather and yields for the 1994 crop.

The budget reflects legislation to reform the crop insurance program and eliminate the need for ad hoc disaster payments. Without crop insurance reform, outlays for disaster payments of \$1.0 billion annually are assumed to continue in fiscal years 1995 through 1999.

The following table shows CCC net expenditures by commodity and program for fiscal years 1993 through 1995.



COMMODITY CREDIT CORPORATION  
FISCAL YEAR 1995 PRESIDENT'S BUDGET  
FY 1993 ACTUAL, FY 1994 AND FY 1995 ESTIMATED EXPENDITURES  
(thousands of dollars)

Item	FY 1993 ACTUAL	FY 1994 ESTIMATED	FY 1995 ESTIMATED
Corn.....	5,142,740	580,833	1,353,497
Grain Sorghum.....	410,310	125,595	153,534
Barley.....	185,639	212,230	128,537
Oats.....	15,525	7,349	4,590
Corn Products.....	9,256	10,117	
Sorghum Products.....	-20		
Oat Products.....	1,190	913	
Feed Grains and Products.....	5,764,640	937,037	1,640,158
Wheat and Products.....	2,184,644	1,988,684	1,891,851
Rice.....	886,939	820,427	314,074
Upland Cotton.....	2,238,814	1,669,970	1,160,426
Tobacco.....	235,423	403,171	-183,070
Honey.....	22,141	7,553	-3,774
Dairy.....	252,736	256,450	263,860
Soybeans.....	108,992	-146,842	-57,260
Sugar.....	-34,899	-23,917	-32,816
Peanuts.....	-13,241	97,233	31,543
Export Guarantee Program—Liquidating..	453,485	400,234	-42,094
Export Guarantee Subsidies.....	537,700	368,920	399,599
Short-Term & Intermediate Export Credit	-1,909	-78,670	-78,670
Market Promotion Program.....	168,727	123,867	75,000
Export Enhancement Program.....	886,880	1,000,000	1,000,000
Storage Facility.....	-2,266		
Interest.....	129,481	134,956	89,814
CCC Operating Expenses.....	12,066	12,349	7,855
Change in Working Capital.....	517,288	442,000	960,000
Livestock Assistance (Cash).....	55,384	50,000	
Forage and Tree Assistance Programs (1988—1992 Disaster).....	16,860	6,845	
Crop Disaster Assistance.....	872,202	2,645,608	1,000,000
All Other.....	575,204	804,567	422,745
Subtotal, Support and Related.....	15,867,291	11,920,442	8,859,241
Wool.....	179,305	197,952	137,417
TOTAL Net Expenditures, CCC.....	16,046,596	12,118,394	8,996,658
Farm program legislation.....	—	—	-500,000
Adjusted TOTAL Net Expenditures, CCC...	16,046,596	12,118,394	8,496,658

Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Deficiency, Diversion and Disaster Payments

In fiscal year 1993, direct payments to producers totaled \$9,478.6 million, an increase of \$3,029.8 million from payments issued in fiscal year 1992. Deficiency and diversion payments were made in a combination of cash and CCC commodity certificates in fiscal years 1986 through 1990, as authorized by the Food Security Act of 1985. In fiscal year 1993, 1992 and 1993 crop payments were issued in cash and estimated deficiency payments for fiscal year 1994 and 1995 are in cash also. Fiscal year 1993 includes residual certificate activity for pre-1990 crop years.

The following table shows CCC deficiency, diversion and disaster payments made in cash and certificates for fiscal years 1993 through 1995.

**COMMODITY CREDIT CORPORATION**  
**Deficiency, Diversion, and Disaster Payments Made in Cash and Certificates**  
**Fiscal Years 1993-1995**  
 (thousands of dollars)

	FY 1993 Actual		Total	FY 1994 Estimate		Total	FY 1995 Estimate		Total
	Cash	Certificates		Cash	Certificates		Cash	Certificates	
Deficiency Payments	8,606,847	-616	8,606,231	4,347,404	0	4,347,404	4,732,674	0	4,732,674
Diversion Payments	100	107	207	0	0	0	0	0	0
Subtotal	8,606,947	-509	8,606,438	4,347,404	0	4,347,404	4,732,674	0	4,732,674
Disaster Payments:									
1986 crop and prior	2	40	42	0	0	0	0	0	0
1988 crop year	-181	0	-181	0	0	0	0	0	0
1989 crop year	958	-94	864	0	0	0	0	0	0
1990-92 crop yrs	767,033	0	767,033	50,000	0	50,000	0	0	0
1993 crop year	104,392	0	104,392	2,095,608	0	2,095,608	0	0	0
1994 crop year	0	0	0	500,000	0	500,000	500,000	0	500,000
1995 crop year	0	0	0	0	0	0	500,000	0	500,000
Total Disaster Payments	872,204	-54	872,150	2,645,608	0	2,645,608	1,000,000	0	1,000,000
Total	9,479,151	-563	9,478,588	6,993,012	0	6,993,012	5,732,674	0	5,732,674

## ADP Activities

ADP in ASCS is integral to the agency's long range Information Resources Management Plan. The plan calls for the utilization of modern technology wherever it is feasible and cost-beneficial. ASCS has implemented a national network of computer systems in support of CCC operations. All State and county ASCS offices now utilize computer-based procedures to conduct day-to-day support to producers. This distributed network approach has dramatically reduced the agency's previous dependency upon traditional hand prepared forms and documents.

Most farm and producer data are currently maintained on the county office computers for processing purposes only and are automatically accessed, used, and updated simultaneously while servicing the producers. This platform reached the end of its original system life in 1992. The agency is in the process of identifying technologies that can be used to extend the system life of this platform until updated technology can be acquired and implemented. The acquisition of replacement technology will be coordinated under USDA's Info Share Program.

In 1995, ADP equipment and related ADP services previously funded by CCC, are proposed for funding through a direct appropriation to ASCS Salaries and Expenses.



## COMMODITY CREDIT CORPORATION

The estimates include appropriation language for this item as follows: (new language underscored; deleted matter enclosed in brackets):

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT  
(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out CCC's Export Guarantee Program, GSM 102 and GSM 103, [\$3,381,000] \$3,437,000; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed [\$2,792,000] \$2,837,000 may be transferred to and merged with the appropriation for the salaries and expenses of the General Sales Manager, and of which not to exceed [\$589,000] \$600,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Agricultural Stabilization and Conservation Service.

CCC Loans Program Account

	<u>Guaranteed Loan Levels</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Amount, 1994.....	\$5,700,000,000	\$403,238,000	\$3,381,000
Amount, 1995.....	<u>5,700,000,000</u>	<u>394,393,000</u>	<u>3,437,000</u>
Increase or Decrease in Amount.....	<u>---</u>	<u>-\$8,845,000</u>	<u>+\$56,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of loan levels, subsidies and administrative expenses)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
Guaranteed Loan Levels...	\$5,700,000,000	---	\$5,700,000,000
Guaranteed Loan Subsidy..	403,238,000	-\$8,845,000	394,393,000
Re-estimate for the 1992 Program Subsidy.....	-3,224,000	+3,224,000	---
Interest on Re-estimate of Subsidy.	-118,000	+118,000	---
Administrative Expenses Transferred To:			
OGSM.....	2,792,000	+45,000	2,837,000
ASCS.....	<u>589,000</u>	<u>+11,000</u>	<u>600,000</u>
Total, Admin. Expenses	<u>\$3,381,000</u>	<u>+\$56,000</u>	<u>\$3,437,000</u>

**PROJECT STATEMENT**  
(On basis of appropriation)

Project	1993 Actual	1994 Estimated	Increase or Decrease	1995 Estimated
Guaranteed Loan Levels.....	\$5,700,000,000	\$5,700,000,000	---	\$5,700,000,000 <sup>a/</sup>
Guaranteed Loan Subsidy.....	388,170,000	403,238,000	-\$8,845,000 <sup>(1)</sup>	394,393,000 <sup>a/</sup>
Re-estimate for the 1993 Program Subsidy.....	327,430,000	-3,224,000	+3,224,000 <sup>(2)</sup>	---
Interest on Re-estimate of Subsidy	36,464,000	-118,000	+118,000 <sup>(2)</sup>	---
Administrative Expenses Transferred To:				
OGSM.....	2,731,000	2,792,000	+45,000	2,837,000
ASCS.....	589,000	589,000	+11,000	600,000
Total, Appropriated, Admin. Expenses	\$3,320,000	\$3,381,000	+\$56,000 <sup>(3)</sup>	\$3,437,000
Total, Appropriation	\$755,384,000	\$403,277,000	-\$5,447,000	\$397,830,000

<sup>a/</sup> Permanent Indefinite authority: These amounts are mandatory under the FACT Act of 1990 and therefore are excluded from the requirement for advance appropriations. For this reason, both loan levels and subsidy have been excluded from appropriations language.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$8,845,000 in the program account subsidy estimate of need (\$403,238,000 available in 1994).

Need for Change. Prior to fiscal year 1992, guaranteed loans were accounted for on a cash basis. Under Credit Reform, which was authorized by The Budget Enforcement Act of 1990 (Title XIII of the Omnibus Budget Reconciliation Act of 1990), all subsidy costs arising from GSM-102 and GSM-103 commitments made in fiscal year 1992 and beyond will be recorded in a separate guarantee loan program account. In addition, subsidy rates will be recalculated annually to reflect updated Treasury interest rates and assumptions regarding defaults and repayments. The subsidy reflects an estimate of the net present value of cash flows over the life of the loan. Annual costs to operate and manage the loan programs are also included in this appropriation account. The change for 1995 reflects a recalculation of subsidy based on new program assumptions.

Nature of Change. This recalculation results in a decrease of \$8,845,000 for the subsidy portion of the Export Guarantee Loans program.

- (2) An increase of \$3,224,000 in the technical re-estimate for subsidy and an increase of \$118,000 in associated interest (-\$3,224,000 and -\$118,000 for technical re-estimate and interest, respectively, available in 1994). Re-estimates of the 1992, 1993 and 1994 program subsidies and associated interest will be determined at the end of fiscal year 1994 and shown in the fiscal year 1996 President's Budget.
- (3) An increase of \$56,000 for administrative expenses (\$3,381,000 in 1994). Administrative funds are transferred to OGSM and ASCS for making and servicing of export credits. The increase in estimated administrative expenses transferred to OGSM is \$45,000 and the increase in estimated administrative expenses transferred to ASCS is \$11,000.



JUSTIFICATION OF INCREASES AND DECREASES  
Realized Losses, Fiscal Years 1992 and 1993

Item	Fiscal Year 1992	Increases and Decreases	Fiscal Year 1993
<b>Support and related programs:</b>			
Commodity inventory operations:			
Losses or gain (+) on sales.....	267,543,556	-161,879,807 (1)	105,663,749
Domestic donations.....	363,867,516	-71,649,526 (2)	292,217,990
Export donations.....	353,203,632	229,320,582 (3)	582,524,214
Storage and handling expense.....	122,105,212	-35,460,978 (4)	86,714,234
Transportation expense.....	23,307,227	-6,522,273 (5)	16,784,954
Total commodity inventory operations.....	1,130,117,143	-46,212,002	1,083,905,141
Loans written off.....	94,092,034	175,521,394 (6)	269,613,428
Producer storage payments.....	17,284,116	-8,300,135 (7)	8,983,981
FCIC crop indemnity payments.....	338,000,000	162,000,000 (8)	500,000,000
Eradication of animal & plant disease.....	18,110,850	-4,200,705 (9)	13,910,145
Disaster payments pre-1986 crop (cash):			
Feed grains.....	0	2,253	2,253
Wheat.....	0	0	0
Rice.....	0	14	14
Upland cotton.....	62	-62	0
Total disaster payments (cash).....	62	2,205 (10)	2,267
<b>Deficiency payments (cash):</b>			
Corn.....	3,819,718,770	-1,706,067,734	2,111,651,036
Grain sorghum.....	328,532,794	-80,666,479	247,866,315
Barley.....	142,723,305	84,956,563	227,679,868
Oats.....	14,029,970	-4,620,351	9,409,619
Wheat.....	1,382,051,931	561,785,476	1,943,837,407
Rice.....	556,879,253	71,689,014	628,568,267
Upland cotton.....	1,114,935,343	-554,958	1,114,380,385
Extra long staple cotton.....	5,637,000	8,059,585	13,696,585
Total deficiency payments (cash).....	7,364,508,366	-1,067,418,884 (11)	6,297,089,482
<b>Diversion payments (cash):</b>			
Corn.....	-14,722	75,402	60,680
Grain sorghum.....	3,266	1,575	4,841
Barley.....	183	1,339	1,522
Oats.....	330	230	560
Wheat.....	-15,546	3,437	-12,109
Rice.....	-503	771	268
Upland cotton.....	645	1,280	1,925
Dairy.....	-66,886	128,775	42,089
Total diversion payments (cash).....	-113,033	212,809 (12)	99,776
<b>Loan deficiency payments (cash):</b>			
Rice.....	64,539,867	193,296,602 (13)	257,836,469
Upland cotton.....	522,806,023	-351,997,005 (14)	170,809,018
Honey.....	2,515,211	3,712,743 (15)	6,227,954
Soybeans.....	2,000,000	-4,000,000 (16)	-2,000,000
Barley.....	0	942 (17)	942
Wheat.....	0	2,000,000 (18)	2,000,000
<b>Minor oilseeds:</b>			
Flaxseed.....	429,922	1,439,833	1,869,755
Sunflower seed - oil.....	14,832,414	-29,298,523	-14,466,109
Sunflower seed - non-oil.....	-1,372,705	1,176,899	-195,806
Canola seed.....	-210,850	-184,700	-395,550
Rapeseed.....	-221,368	217,637	-3,731
Mustard seed.....	7,166	-9,768	-2,602
Total minor oilseeds.....	13,464,579	-26,658,622 (19)	-13,194,043
Total loan deficiency pymts (cash).....	605,325,710	-183,645,340	421,680,370
<b>Rice marketing payments:</b>			
Up. cotton user marketing pymts (cash).....	0	36,145,708 (20)	36,145,708
Dairy termination program.....	2,380,738	-2,376,946 (22)	3,792
Livestock emergency assistance.....	104,208,694	-44,577,582 (23)	59,631,112

**JUSTIFICATION OF INCREASES AND DECREASES**  
**Realized Losses, Fiscal Years 1992 and 1993**

Item	Fiscal Year 1992	Increases and Decreases	Fiscal Year 1993
Cost/share burning pear program.....	47,454	-47,543 (24)	-89
Forage assistance program.....	-1,254	1,254 (25)	0
88-89 Tree assistance program.....	-2,085,513	3,387,994 (26)	1,302,481
Emerging democracies tech assist.....	9,985,230	-213,827 (27)	9,771,403
Market promotion program (cash).....	196,326,069	-27,599,898 (28)	168,726,171
Export enhancement program (cash).....	575,637,122	298,889,952 (29)	874,527,074
Dairy export incentive (cash).....	24,424,817	110,182,658 (30)	134,607,475
Cost share assistance (cash).....	15,540	4,038 (31)	19,578
88 Crop disaster payments (cash).....	-611,924	630,904 (32)	-181,020
89 Crop disaster payments.....	-1,798,673	2,757,019 (33)	858,346
90-92 Crop disaster payments.....	-44	-224,838 (34)	-224,882
1993 Crop disaster-CCC funding.....	0	1,000,000,000 (35)	1,000,000,000
<b>TOTAL CASH PAYMENTS (10-35 Above)....</b>	<b>9,018,342,209</b>	<b>99,410,832</b>	<b>9,117,753,041</b>
<b>Deficiency payments (certificates):</b>			
Corn.....	-406,643	516,692	110,049
Grain sorghum.....	-42,501	18,945	-23,555
Barley.....	-40,402	36,063	-4,339
Oats.....	-7,420	7,137	-283
Wheat.....	-277,628	163,391	-114,237
Rice.....	-19,343	-77,588	-96,931
Upland cotton.....	-170,683	-316,352	-487,035
Total deficiency payments (certificates)....	-964,620	348,289 (36)	-616,331
<b>Diversion payments (certificates):</b>			
Corn.....	-189,151	279,013	109,862
Grain sorghum.....	-12,956	12,123	-833
Barley.....	-1,228	-1,162	-2,390
Oats.....	-406	406	0
Wheat.....	-12,393	12,278	-115
Total diversion payments (certificates)....	-198,134	302,658 (37)	106,524
Upland cotton loan deficiency cert.....	-6,226	-133,712 (38)	-139,938
Upland cotton user marketing cert.....	0	91,640,113 (39)	91,640,113
Rice marketing certificates.....	-1,372	1,372 (40)	0
Emergency feed certif. program.....	-8,669	8,669 (41)	0
Export enhancement certificates.....	595,193,731	-594,441,430 (42)	752,301
Market promotion certif. program.....	-9,672	12,276 (43)	2,404
Conservation reserve program cert.....	-177,668	-73,195 (44)	-250,863
88 Crop disaster assist. cert.....	-751,377	657,419 (45)	-93,958
88 Crop disaster assist. cert.....	-70,774	110,885 (46)	40,111
Dairy export incentive cert.....	33,164,892	-33,164,892 (47)	0
<b>TOTAL CERTIFICATE PAYMENTS, NET</b> <b>(36-47 above).....</b>	<b>626,171,711</b>	<b>-634,731,348</b>	<b>91,440,363</b>
<b>TOTAL ABOVE CASH/CERTIFICATE</b> <b>PAYMENTS (10-47 above).....</b>	<b>9,644,513,920</b>	<b>-435,320,516</b>	<b>9,209,193,404</b>
Export enhance. prog. (non-cert).....	0	27,489 (48)	27,489
Emergency feed assistance program.....	-511,261	533,280 (49)	22,019
Conservation reserve program (non-cert):			
Cost-share assistance payments.....	123,993	-187,666	-63,673
Technical assistance payments.....	0	0	0
Annual rental (cash).....	-2,070	2,070	0
1988 Disaster cost sharing.....	0	0	0
Liquidated damages.....	-565,340	86,752	-478,588
Total conservation reserve.....	-443,417	-98,844 (50)	-542,261
Payment-in-kind entitlements.....	290	-5,137 (51)	-4,847

JUSTIFICATION OF INCREASES AND DECREASES  
Realized Losses, Fiscal Years 1992 and 1993

Item	Fiscal Year 1992	Increases and Decreases	Fiscal Year 1993
<b>Marketing loan write-offs:</b>			
Upland cotton.....	320,288,472	158,291,936	478,580,408
Rice.....	57,114,345	149,867,750	206,982,095
Honey.....	5,159,219	2,582,569	7,751,788
Soybeans.....	2,870	9,954	12,824
<b>Minor oilseeds:</b>			
Flaxseed.....	195,731	-168,666	27,045
Sunflower seed - oil.....	1,089,647	-1,028,654	40,993
Sunflower seed - non-oil.....	106,045	-106,850	-805
Canola seed.....	17,865	-17,049	816
Rapeseed.....	0	-2	-2
Mustard seed.....	1,637	-1,637	0
Total minor oilseeds.....	1,390,925	-1,322,878	68,047
Total marketing loan write-offs.....	383,955,831	309,439,331 (52)	693,395,162
<b>Milk marketing fee collection programs:</b>			
Milk marketing fees (PL 97-253).....	121,972	-121,972	0
Milk marketing fees (PL 98-180).....	34,122	-34,327	-205
Milk marketing fees (PL 99-198).....	0	0	0
Milk marketing fees (PL 100-203).....	-22	22	0
Milk marketing fees (PL 100-202).....	0	0	0
Milk marketing fees (PL 101-624).....	-146,420,438	-55,798,041	-202,218,479
Total milk marketing fees.....	-146,264,366	-55,954,318 (53)	-202,218,684
<b>Assessments:</b>			
Malting barley.....	-7,019,135	-1,508,262	-8,527,397
Honey.....	-1,055,674	-7,910	-1,063,584
Sugar.....	-22,740,401	-3,761,562	-26,501,963
Peanuts.....	-11,586,226	1,009,873	-10,576,353
Tobacco.....	-24,294,681	2,257,225	-22,037,456
Total assessments.....	-66,696,117	-2,010,636 (54)	-68,706,753
<b>Origination fees:</b>			
Soybeans.....	-15,659,356	-2,424,221 (55)	-18,083,577
<b>Minor oilseeds:</b>			
Flaxseed.....	-241,555	40,817	-200,738
Sunflower seed - oil.....	-3,435,284	1,671,231	-1,764,053
Sunflower seed - non-oil.....	-507,039	475,001	-32,038
Canola seed.....	-59,627	13,099	-46,528
Rapeseed.....	-8,440	8,250	-190
Safflower seed.....	-1,315	1,112	-203
Mustard seed.....	-4,095	3,277	-818
Total minor oilseeds.....	-4,257,355	2,212,787 (56)	-2,044,568
Total loan origination fees.....	-19,916,711	-211,434	-20,128,145
Tobacco budget deficit assessment.....	258,525	-258,525 (57)	0
Ocean transportation for section 416 export donations.....	137,071,660	215,159,000 (58)	352,230,660
Hazardous Waste Expense.....	30,000,000	-57,056,216 (59)	-27,056,216
Food for Progress expense - Russia.....	0	385,000,000 (60)	385,000,000
Other program expense (net).....	82,717,985	-12,526,798	70,191,187
Interest (net).....	47,011,661	32,680,184 (61)	79,692,045
Operating expenses (net).....	84,707,039	22,072,095 (62)	106,779,134
Adjustment for lag activity.....	-97,319,402	97,319,402 (63)	0
Total gross realized losses.....	11,676,690,000	777,596,909	12,454,286,909
<b>Offsetting income from FY 1988</b>			
"Operating Expenses" advance approp.....	0	0	0
Net realized losses.....	11,676,690,000	777,596,909	12,454,286,909

Minus (-) indicates gain or adjustment to prior year.

Note: The above table reflects revisions which were made to fiscal year 1992 realized losses subsequent to the completion of last year's notes.

Source: Profit & Loss Worksheets

The above analysis of realized losses covers the difference between the actual 1992 and 1993 losses of the Corporation. The analysis reflects revisions which were made to fiscal year 1992 realized losses subsequent to the completion of last year's notes. The fiscal year 1993 appropriations act (P.L. 102-341) provided \$9,200,000,000 to restore the balance of 1990 losses and to partially restore the unreimbursed balance of fiscal year 1991 losses. The fiscal year 1994 appropriations act (P.L. 103-111) provided \$18,000,000,000 to fully restore the unreimbursed balance of fiscal year 1991 losses of \$3,020,385,851 and fiscal year 1992 losses of \$11,675,965,395, and to partially restore fiscal year 1993 losses in the amount of \$3,303,648,754.

The Budget proposes a current, indefinite appropriation to reimburse the Corporation for net realized losses in fiscal year 1995. This appropriation, authority for which has already been enacted by Congress in the Omnibus Budget Reconciliation Act of 1987, would give CCC the flexibility to request funds as needed from Treasury to avoid any operating disruptions due to a lack of sufficient funds.

Explanations of increases and decreases in realized losses from fiscal year 1992 to fiscal year 1993 follow:

- (1) A decrease of \$161,879,807 in losses on sales (\$267,543,556 in 1992).  
This decrease is attributed mainly to the substantial decrease in the sales of CCC-owned corn and dairy products (primarily butter and nonfat dry milk), which decreased from the previous year to \$70.7 million. The decrease also reflects lower losses on certificate exchanges of \$21.8 million in fiscal year 1993, versus \$137.4 million in fiscal year 1992. The decrease in certificate losses was due to a decline in certificates available for exchange. Certificates are issued at the current market price for a particular commodity. Certificate holders can exchange certificates for CCC-owned commodities based on the market price at the time of redemption or redeem an outstanding CCC loan and receive a commodity quantity also based on the market price at the time of redemption. A loss is realized because the CCC book value, which includes redeemed loans valued at the loan rate, generally exceeds the value of the certificates as issued. In fiscal year 1993, CCC-owned commodities valued at \$141.5 million were redeemed with certificates valued at \$119.7 million. The \$21.8 million difference represents the loss on certificates issued primarily for upland cotton and rice. The remaining loss on sales in fiscal year 1993, \$13.2 million, includes losses on the sale from CCC inventory of wheat and rice.
- (2) A decrease of \$71,649,526 in domestic donations (\$363,867,516 in 1992).  
This decrease primarily reflects decreased donations of wheat flour under Section 416 for the School Lunch, Institutions, and Special Donations to Needy Families programs due to lower wheat inventory availability. An increase in donations of corn products, honey and peanut products partially offset the decrease.
- (3) An increase of \$229,320,582 in export donations (\$353,203,632 in 1992).  
This increase primarily reflects increased donations of corn, wheat, and rice, under the Food for Progress Program and Section 416(b) of the Agricultural Act of 1949 due to the approximately \$200 million 1992 humanitarian food assistance program to the former Soviet Union of which approximately 60% was obligated in fiscal year 1992 but not disbursed until fiscal year 1993. Fiscal year 1993 activity also includes the impact of the approximately \$660 million 1993 humanitarian food assistance program to the former Soviet Union. A decrease in donations of grain sorghum and vegetable oil slightly offset the increase.
- (4) A decrease of \$35,480,978 in storage and handling expense (\$122,195,212 in 1992). A decrease in expenses of \$36,697,844 for the commercial storage and handling of feed grains in fiscal year 1993 accounts for most of the



decrease. The continuing dispositions of corn resulted in lower CCC inventories and therefore lower storage and handling expenses.

- (5) A decrease of \$6,522,273 in transportation expense (\$23,307,227 in 1992). This decrease reflects lower transportation expenses for dairy partially offset by an increase in transportation expenses for wheat and feed grains.
- (6) An increase of \$175,521,394 in loans written off (\$94,092,034 in 1992). Fiscal year 1993 write-offs represent over \$258 million dollars written-off by the tobacco program. The Consolidated Omnibus Budget Reconciliation Act of 1985 authorized the CCC to reduce its tobacco loan holdings. Provided with substantial discounts to pre-1982 crop tobacco, U.S. cigarette manufacturers agreed to buy the inventory of the 1976-1984 crops from the tobacco loan associations. The remaining balance of the pre-1982 flue-cured crops were either sold or committed in fiscal year 1993. Also, \$10.7 million in loans to the 1992 peanut crop were written-off, with a small adjustments for upland cotton, rice, soybeans, wheat, grain sorghum and corn. The peanut write-offs primarily reflect disaster transfer assistance to producers who fail to fill their quota, and produce low grade peanuts. Relief is provided to these producers with the higher price support associated with edible type peanuts for their substandard peanuts.
- (7) A decrease of \$8,300,135 in producer storage payments (\$17,284,116 in 1992). With an overall decline in the bushels held in the reserve, producer storage payments continued to decrease. Entry of 1992 crop corn, grain sorghum, and barley into the reserve program partially offset the decrease.
- (8) An increase of \$162,000,000 in transfers to the Federal Crop Insurance Corporation (FCIC) (\$338,000,000 in 1992). The Federal Crop Insurance Corporation Act, as amended by the Food Security Act of 1985, authorizes the Secretary to use CCC funds at any time the moneys available to the Federal Crop Insurance Corporation are insufficient to pay claims of farmers for insured crop losses. The fiscal year 1993 losses reflect \$500,000,000 transferred to FCIC to pay claims in fiscal year 1993.
- (9) A decrease of \$4,200,705 in transfers to APHIS for animal and plant disease eradication (\$18,110,850 in 1992). One transfer was made to APHIS in fiscal year 1993 to fund portions of the Mediterranean fruitfly emergency eradication program.
- (10) An increase of \$2,205 in total cash disaster payments (\$62 in 1992). Fiscal year 1993 activity reflects an adjustment for 1984 crop upland cotton.
- (11) A decrease of \$1,067,418,884 in cash deficiency payments (\$7,364,508,366 in 1992). The \$1.1 billion decrease is mainly due to a decrease in 1993 crop deficiency payment losses as compared to 1992 crop losses partially offset by higher loss adjustments on the 1992 crop. The decrease in 1993 crop losses versus 1992 crop losses is due primarily to higher 1993 crop prices for corn, grain sorghum, and oats resulting in lower deficiency payment rates. By comparison, 1992 crop cash payment losses in fiscal year 1992 totaled \$7,244,769,000, an amount \$839,405,000 higher than 1993 crop cash payment losses. In fiscal year 1993, advance 1993 crop cash deficiency payments of \$3,968,537,308 were made representing 50 percent of total estimated 1993 crop deficiency payments for feed grains, wheat, upland cotton, ELS cotton, and rice. An additional \$2,436,826,692 in 1993 crop cash deficiency payments and \$10,000,000 in 1992 crop cash deficiency was established as a loss in fiscal year 1993 with payment to be made in fiscal year 1994.
- (12) An increase of \$212,809 in cash diversion payments (-\$113,033 in 1992). The fiscal year 1993 increase primarily reflects accounting adjustments for corn and dairy, partially offset by a negative adjustment for wheat.

- (13) An increase of \$193,296,602 in rice cash loan deficiency payments (\$64,539,897 in 1992). Authorized by the FSA, this payment was made to producers, who although eligible to obtain crop loans, agreed to forego them in exchange for the payment. The 1989 crop was the first year this authority was used for rice. Fiscal year 1990 was the first year payments were made, for a total of \$2,216,139. Most of the \$193.3 million increase is due to an increase in 1993 crop rice loan deficiency payment losses as compared to 1992 crop losses due to an increase in producer participation. The 1992 crop cash liability, which was originally recorded as a loss in fiscal year 1992, was underestimated by \$5,751,243, resulting in increased 1992 crop deficiency payment losses. Payments of \$44,927,292 were made for the 1993 crop. An additional \$207,072,708 in 1993 crop loan deficiency payments was established as a loss in fiscal year 1993 with payments to be made in fiscal year 1994.
- (14) A decrease of \$351,997,005 in upland cotton loan deficiency payments (\$522,806,023 in 1992). Authorized by the FSA, this payment is made to upland cotton producers who although eligible to obtain crop loans, forego them in exchange for the payment. Most of the decrease can be attributed to increased 1993 crop loan repayment rates, in comparison with the 1992 crop year, resulting in lower loan deficiency payment rates. The 1992 crop cash liability, which was originally recorded as a loss in fiscal year 1992, was overestimated by \$15,489,343 resulting in decreased 1992 crop deficiency payment losses. Payments of \$257,510,657 were made for the 1992 crop in fiscal year 1993. Payments of \$14,890,530 were also made for the 1993 crop. An additional \$156,109,470 in 1993 crop loan deficiency payments was established as a loss in fiscal year 1993 payments to be made in fiscal year 1994.
- (15) An increase of \$3,712,743 in honey loan deficiency payments (\$2,515,211 in 1992). Authorized by the FACT Act, this payment was made to producers, who although eligible to obtain 1991 crop loans, agreed to forego them in exchange for the payment. The 1991 crop was the first year this authority was used for honey. Most of the increase in honey loan deficiency payments is due to a decrease in the honey loan repayment rate which effectively raises the loan deficiency payment rate per pound. The 1992 crop cash liability, which was originally recorded as a loss in fiscal year 1992, was underestimated by \$1,467,237, resulting in increased 1992 crop deficiency payment losses. Payments of \$3,108,162 were made for the 1993 crop. An additional \$1,641,838 was established as a loss in fiscal year 1993 with payments to be made in fiscal year 1994.
- (16) A decrease of \$4,000,000 in soybean loan deficiency payments (\$2,000,000 in 1992). Authorized by the FSA, this payment was made to producers, who although eligible to obtain them, agreed to forego crop loans in exchange for the payment. The 1992 crop cash liability, which was originally recorded as a loss in fiscal year 1992, was overestimated by \$2,000,000, resulting in the \$2,000,000 credit adjustment in fiscal year 1993. No payments were made in fiscal years 1992 and 1993.
- (17) An increase of \$942 in barley loan deficiency payments (\$0 in 1992). Authorized by the FACT Act, as amended by the Omnibus Budget Reconciliation Act of 1990, this payment is made to feed grain producers who although eligible to obtain crop loans, agreed to forego them in exchange for payment. The 1993 crop was the first year this authority was used for feedgrains. Fiscal year 1993 activity reflects payments of \$942 for crop year 1993 barley.
- (18) An increase of \$2,000,000 in wheat loan deficiency payments (\$0 in 1992). Authorized by the FACT Act, as amended by the Omnibus Budget Reconciliation Act of 1990, this payment is made to wheat producers who although eligible to obtain crop loans, agreed to forego them in exchange for payment. The 1993 crop was the first year this authority was used for wheat. Cash payments of \$806,743 were made in fiscal year 1993. An additional of \$1,193,257 was

established as a loss in fiscal year 1993 with payments to be made in fiscal year 1994.

- (19) A decrease of \$26,658,622 in minor oilseed cash loan deficiency payments (\$13,464,579 in 1992). The Food, Agriculture, Conservation and Trade Act of 1990 provides for loan deficiency payments for each of the 1991-1995 crop years to minor oilseed producers who are eligible for price support loans but who agree to forgo the loans. The 1991 crop year was the first year of CCC cash loan deficiency payments for minor oilseeds, with \$3,148,694 in cash payments being made in fiscal year 1991. The decrease of \$26.7 million in fiscal year 1993 is due, in part, to lower production coupled with higher prices. Also, the 1992 crop cash liability, which was originally recorded as a loss in fiscal year 1992, was overestimated by \$14,782,700 resulting in decreased 1992 deficiency payment losses. Projected 1993 crop loan repayment rates are much higher for oil-type sunflower seed resulting in lower loan deficiency payment rates. Payments of \$237,573 were made for the 1991 crop in fiscal year 1993. Also in fiscal year 1993, payments of \$5,962,212 were made for the 1992 crop, and payments of \$248,118 were made for the 1993 crop. An additional \$1,102,966 in 1993 payments was established as a loss in fiscal year 1993 with payments to be made in fiscal year 1994.
- (20) An increase of \$36,145,708 in rice marketing payments (\$0 in 1992). Similar to upland cotton first handler certificates, whenever the world price for rice falls below the minimum loan repayment rate, the Secretary must issue negotiable marketing certificates to persons who have entered into agreements with the CCC to participate in the program. The value of each certificate is the difference between the repayment rate and the prevailing world market price. The increase of \$36.1 million reflects marketing certificate cash payments for the 1992 and 1993 crops.
- (21) A decrease of \$26,698,851 in upland cotton cash user marketing payments (\$140,292,848 in 1992). These payments are made to domestic users and exporters to keep U.S. cotton competitive in the world markets. Payments are determined by comparing U.S. and foreign prices and are based on actual cotton bales opened by domestic users or exported by exporters. The fiscal year 1993 loss reflects the value of user marketing cash payments and the decrease reflects implementation of a certificate program in addition to the cash program in fiscal year 1993 resulting in a shift in the payments mix. (also see explanation #39)
- (22) A decrease of \$2,376,946 in dairy termination payments (\$2,380,738 in 1992). The fiscal year 1993 loss represents additional program adjustments of \$3,792. Dairy termination payments, based on accepted bids submitted by producers, were made eligible producers who agreed to discontinue milk production for a period of five years. Payments ceased in fiscal year 1992.
- (23) A decrease of \$44,577,582 in livestock emergency assistance (\$104,208,694 in 1992). The decrease reflects 1993 and prior program liabilities of \$59,631,112 in fiscal year 1993. Estimated 1993 program liabilities are \$50,000,000 of which \$45,461,724 will be provided in fiscal year 1994. Payments made in fiscal year 1993 for the 1993 and prior programs totaled \$55,390,975.
- (24) A decrease of \$47,543 in cost-share burning prickly pear program (\$47,454 in 1992). Authorized by the 1989 Disaster Act this program is designed to provide emergency feed to livestock in Texas by providing cost-share assistance to burn the thorns from the prickly pear cactus to make it suitable for livestock feed. The fiscal year 1993 loss represents additional 1990 program adjustments of -\$89.
- (25) An increase of \$1,254 for the Forage Assistance Program (-\$1,254 in 1992). Authorized by the Disaster Assistance Act of 1988, this program provides



assistance to eligible livestock producers whose established pastures were damaged by drought or related conditions in 1988 and 1989.

- (26) An increase of \$3,387,994 for the Tree Assistance Program (-\$2,085,513 in 1992). Also authorized by the Disaster Assistance Act of 1988, this program provides assistance to eligible tree farmers who planted tree seedlings in 1987 or 1988 but lost these seedlings to drought or related conditions in 1988. The Disaster Assistance Act of 1989 extended this program for trees and seedlings lost as a result of freezing or related conditions in 1989. The Dire Emergency Supplemental Appropriations Act of 1992 extended the program to orchardists who lost trees or seedlings as a result of freeze, earthquake, or related conditions in 1990, 1991, or 1992. The increase reflects additional 1989 payments made in fiscal year 1993. Payments made in fiscal year 1993 for the 1989 program totaled \$1.3 million and payments for the 1992 program, which were funded by a supplemental appropriation, totaled \$15.6 million.
- (27) A decrease of \$213,827 for the emerging democracies technical assistance program (\$9,985,230 in 1992). The FACT Act of 1990, as amended authorized this program to provide technical assistance to at least three emerging democracies per year through 1995. The decrease reflects 1992 and 1993 expenses associated with the program. The 1992 program liability, which was originally recorded as a loss in fiscal year 1992, was overestimated by \$120,477 resulting in decreased losses in fiscal year 1993. Payments of \$7,258,918 were made in fiscal year 1993, which consisted of \$6,186,803 for the 1992 program and \$1,072,115 for the 1993 program. An additional \$8,819,765 was accrued as a loss in fiscal year 1993 with payments to be made in fiscal year 1994.
- (28) A decrease of \$27,599,898 in cash payments for the Market Promotion Program (\$196,326,069 in 1992). The Market Promotion Program (MPP) replaced the Targeted Export Assistance (TEA) Program in fiscal year 1991. The Food, Agriculture, Conservation, and Trade Act of 1990 authorizes the CCC to establish and carry out the MPP to help develop, maintain, and expand commercial markets for agricultural products through cost-share assistance to eligible trade organizations that implement a foreign market development program. The decrease reflects a reduction in the program level from \$200 million in fiscal year 1992 to \$147.7 million in fiscal year 1993.
- (29) An increase of \$298,889,952 in cash payments for the export enhancement program (\$575,637,122 in 1992). To combat unfair trade practices by foreign competitors, the Secretary is required by the FACT Act to make available to commercial exporters either CCC cash funds or CCC-owned commodities for bonus payments. The fiscal year 1993 increase reflects the value of export enhancement cash payments and the increase reflects a shift in the payment mix from certificates to exclusively cash in fiscal year 1993. (also see explanation #42)
- (30) An increase of \$110,182,658 in dairy export incentive cash payments (\$24,424,817 in 1992). Fiscal year 1993 activity reflects twelve months of cash payments made to U.S. exporters to meet prevailing world prices for targeted dairy products and destinations. This program, established in fiscal year 1985, required payments be made in cash or through the issuance of certificates. On November 6, 1991, CCC announced that payments for this program would be made exclusively with cash funds. (also see explanation #47)
- (31) An increase of \$4,038 for the multi-year cost share assistance program (\$15,540 in 1992). As authorized by the FACT Act of 1990, producers who plant perennial cover that is capable of improving water quality or wildlife habitat may receive payments to help defray the cost of establishing the cover. The increase reflects payments of \$19,578 made in fiscal year 1993.



- (32) An increase of \$630,904 in 1988 crop disaster payments made in cash (-\$811,924 in 1992). The fiscal year 1993 loss represents an additional negative accounting adjustment of \$181,020 for the 1988 crop disaster payments.
- (33) An increase of \$2,757,019 in 1989 crop disaster payments (-\$1,798,673 in 1992). Eligible producers who suffered crop losses in 1989 due to damaging weather or related conditions in 1988 or 1989 received disaster payments under the Disaster Assistance Act of 1989 (Public Law 101-82). The fiscal year 1993 loss represents adjustments for the 1989 program. The majority of 1989 crop disaster payments were made in certificates in fiscal year 1990. (also see explanation #45).
- (34) A decrease of \$224,838 in 1990 crop disaster payments (-\$44 in 1992). The decrease reflects adjustments for payments made to producers of any crop of Valencia oranges affected by a freeze in 1988 or 1989 or to producers on the Wind River Indian Reservation, Wyoming, who suffered losses due to lack of water as a result of Indian Tribal water rights adjudication.
- (35) An increase of \$1,000,000,000 in 1993 Crop Disaster - CCC Funding (\$0 in 1992). The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, appropriated funds for 1993 crop losses due to damaging weather and related conditions occurring in 1993. An initial amount of appropriated funding was available immediately, with an additional amount made available after an official budget request was submitted by the President. The use of CCC funds was also authorized if extraordinary circumstances existed that warranted further assistance from CCC. The remaining portion of the funding appropriated by P.L. 103-75 was made available by request of the President on August 12, 1993. The use of CCC funds was also authorized on the same day. The fiscal year 1993 loss of \$1.0 billion represents the estimated CCC liability of payments to be made in fiscal year 1994 using this authority.
- (36) A net increase of \$348,289 in deficiency payments made in commodity certificates (-\$964,620 in 1992). The increase reflects accounting adjustments in fiscal year 1993 for 1986 through 1989 crop certificate payments.
- (37) A net increase of \$302,658 in diversion payments made in certificates (-\$196,134 in 1992). The increase represents adjustments made to payments for the 1986 through 1988 crop land diversion programs. No land diversion programs were in effect for the 1989 through 1993 crop years.
- (38) A decrease of \$133,712 in upland cotton loan deficiency payments made in certificates (-\$6,226 in 1992). The decrease represents adjustments for loan deficiency payments which were issued in certificates for the 1986 crop. Total certificate payments for the 1986 crop, including adjustments were \$65,095,051.
- (39) An increase in \$91,640,113 in upland cotton user marketing certificates (\$0 in 1992). User marketing certificates are issued to domestic users and exporters to keep U.S. cotton competitive in the world markets. The value of the certificates are determined by comparing U.S. and foreign prices and are based on actual cotton bales opened by domestic users or exported by exporters. The increase reflects implementation of the certificate program in fiscal year 1993 with no program in effect in fiscal year 1992. The 1991 crop cotton payments were \$75,812,561 million in fiscal year 1993, while the 1992 crop payments were \$15,431,625 million and the 1993 crop payments were \$395,927. (also see explanation #21)

- (40) An increase of \$1,372 in rice marketing certificates (-\$1,372 in 1992). The increase represents no adjustments for rice marketing certificates issued for the 1986 crop. Total program payments from fiscal year 1986 through 1993 were \$19,065,891.
- (41) An increase of \$8,869 in emergency feed certificates (-\$8,869 in 1992). In accordance with the FSA, as amended, CCC is authorized to make feed available for livestock and poultry in areas where feed grains are normally produced but unavailable due to natural disaster. No certificate adjustments were made to this program in fiscal year 1993.
- (42) A decrease of \$594,441,430 in Export Enhancement Program certificates (\$595,193,731 in 1992). To combat unfair trading practices by foreign competitors, the Secretary is required by the FACT Act to make available to commercial exporters either CCC cash funds or CCC-owned commodities for bonus payments. The fiscal year 1993 decrease reflects the shift in the payment mix from certificates to an exclusively cash basis in fiscal year 1993. (also see explanation #29)
- (43) An increase of \$12,276 in certificate payments for Market Promotion Program (-\$9,872 in 1992). The Market Promotion Program (MPP) replaced the Targeted Export Assistance (TEA) Program in fiscal year 1991. The Food, Agriculture, Conservation, and Trade Act of 1990 authorizes the CCC to establish and carry out the MPP to help develop, maintain, and expand commercial markets for agricultural products through cost-share assistance to eligible trade organizations that implement a foreign market development program. The MPP had a minimum program level of \$200 million in fiscal year 1992, with CCC cash funds being used to fund the program. The increase reflects additional certificate payment adjustments of \$2,404 in fiscal year 1993. (also see explanation #28)
- (44) A decrease of \$73,195 in Conservation Reserve Program certificates (-\$177,668 in 1992). This decrease reflects the accounting adjustments for annual rental payments and corn bonus payments issued in certificates. These adjustments relate to prior years' direct CCC financing of the program.
- (45) An increase of \$657,419 in 1989 crop disaster assistance certificates (-\$751,377 in 1992). The Disaster Assistance Act of 1989 (Public Law 101-82) authorized crop disaster payments to producers who suffered crop losses due to damaging weather or related conditions in 1988 or 1989. The fiscal year 1993 loss represents additional negative certificate issuance adjustments for the 1989 crop program.
- (46) An increase of \$110,885 in disaster assistance certificates for 1986 (-\$70,774 in 1992). The Omnibus Reconciliation Act of 1987 and the Farm Disaster Assistance Act of 1987 provided assistance, payable in generic certificates, to producers who experienced 1986 crop losses from natural disasters, or to producers who could not plant their 1987 crop due to a 1986 disaster. The majority of these payments were made in fiscal year 1987. The fiscal year 1993 loss reflects additional negative payment adjustments in connection with 1986 crop disasters.
- (47) A decrease of \$33,164,892 in dairy export incentive certificates (\$33,164,892 in 1992). Fiscal year 1993 losses was \$0. This program, established in fiscal year 1985, was modified by the Omnibus Trade and Competitiveness Act of 1988 to require payments made in commodities to be made through the issuance of generic certificates to U.S. exporters to meet prevailing world prices for targeted dairy products and destinations. The decrease reflects a shift in the payment mix to an exclusively cash basis in fiscal year 1993. (also see explanation #30).

- (48) An increase of \$27,489 for the Export Enhancement Program (non-certificate), (\$0 in 1992). Fiscal year 1993 losses were \$27,489. This program, implemented in fiscal year 1985, was modified in fiscal year 1986 whereby bonus payments to exporters may be made in kind or through generic certificates that may be redeemed for CCC-owned commodities.
- (49) An increase of \$533,280 in emergency feed assistance program (-\$511,261 in 1992). The fiscal year 1993 increase reflects payments of \$22,019 made in fiscal year 1993.
- (50) A decrease of \$98,844 for the Conservation Reserve Program (non-certificate) (-\$443,417 in 1992). This decrease reflects an increase of \$86,752 in liquidated damages collected, and adjustments of -187,666 to 1986/87 cost share assistance payments. Beginning in fiscal year 1988, a separate annual conservation reserve appropriation has been enacted with the funds advanced to CCC. As a result, program costs in fiscal year 1988 and subsequent years have been applied, by law, to the direct Conservation Reserve Program appropriation. In fiscal years 1986 and 1987, use of CCC funds was authorized and all losses were charged to CCC.
- (51) A net decrease of \$5,137 in Payment-in-Kind (PIK) program costs (\$290 in 1992). This amount is due to adjustments to 1983 and 1984 crop PIK activity.
- (52) An increase of \$309,439,331 in marketing loan write-offs (\$383,955,831 in 1992). The increase mainly reflects a decrease in the adjusted world price for upland cotton and rice. Since the marketing loan write-off rates is based on the difference between the original loan rate and a repayment rate which is linked to the adjusted world price, the world price decrease effectively raised the write-off rates for upland cotton and rice. There also was an increase for honey due to an decrease in the honey loan repayment rate. The FACT Act made 1991 and succeeding crop minor oilseeds also eligible for marketing loan write-offs. For fiscal year 1993, there was a decrease of \$1.3 million in marketing loan write-offs for minor oilseeds due to an increase in the repayment rates for minor oilseeds.
- (53) A net increase (larger gain) of \$55,954,318 in milk marketing fees (-\$146,264,366 in 1992). The increase in fiscal year 1993 reflects higher deductions during part of fiscal year 1993 which was applied to higher milk marketings. The Food, Agriculture, Conservation, and Trade Act of 1990 provided for a deduction on all milk marketed during calendar year 1993. The deduction for January through April was 11.25 cents per hundredweight, May through September was 16.35 cents per hundredweight, and October through December was 14.72 cents per hundredweight.
- (54) An increase (gain) of \$2,010,636 in assessments (-\$66,696,117 in 1992). Under the provisions of the Omnibus Budget Reconciliation Act of 1990, certain commodities (malting barley, honey, sugar, peanuts, and tobacco) have assessment programs which require the producer to pay a fee per unit of production in order to share program costs with the Government. The increase in fiscal year 1993 reflects twelve months of operation in fiscal year 1993 on both the 1992 and 1993 crops.
- (55) An increase (gain) of \$2,424,221 in soybean loan origination fees (-\$15,659,356 in 1992). The Omnibus Budget Reconciliation Act of 1990 amended the FACT Act of 1990 to place a loan origination fee equal to 2% of the national average loan level on the quantity of soybeans pledged as collateral for a price support loan or the quantity of soybeans on which a loan deficiency payment was made for each of the 1991-95 crop years. Subsequent legislation, the Omnibus Budget Reconciliation Act of 1993, amended the price support program so that loan origination fees only apply through the 1993 crop. Fiscal year 1991 was the first year the CCC collected loan origination fees on soybeans with fees based on the minimal amount of



1991 crop loans made in fiscal year 1991. The increase is due to higher 1992 crop loan activity in fiscal year 1993 versus 1991 crop loan activity in fiscal year 1992.

- (56) A decrease (smaller gain) of \$2,212,787 in minor oilseed loan origination fees collected (-\$4,257,355 in 1992). The Omnibus Budget Reconciliation Act of 1990 amended the FACT Act of 1990 to place a loan origination fee equal to 2% of the national average loan level on the quantity of oilseeds pledged as collateral for a price support loan or the quantity of oilseeds on which a loan deficiency payment was made for each of the 1991-95 crop years. Subsequent legislation, the Omnibus Budget Reconciliation Act of 1993, amended the price support program so that loan origination fees only apply through the 1993 crops. The decrease of collections in fiscal year 1993 reflects higher market prices and lower production, which reduced participation in the loan and loan deficiency programs.
- (57) An increase (gain) of \$258,525 for tobacco budget deficit assessments collected (\$258,525 in 1992). The fiscal year 1993 amount reflects no adjustments to assessments collected for 1989 crop flue-cured and burley tobaccos required by the Agricultural Reconciliation Act of 1987 in order to reduce CCC outlays. In lieu of a 1.4 percent reduction in the price support level of tobacco, the 1987 Act allowed the Secretary to impose assessments on tobacco producers and purchasers which would achieve an equal reduction.
- (58) An increase of \$215,159,000 in ocean transportation expense for Section 416 export donations (\$137,071,680 in 1992). The increase is mainly due to an increase in metric tonnage shipped in 1993, due to the approximately \$200 million humanitarian food assistance program to the former Soviet Union of which approximately 60% was obligated in 1992 but not shipped until fiscal year 1993. Fiscal year 1993 activity also includes the impact of the approximately \$660 million 1993 humanitarian food assistance program to the former Soviet Union. Metric tonnage increased particularly in the donation of corn, wheat, and rice.
- (59) A decrease of \$57,056,216 for the Hazardous Waste Management Program (\$30,000,000 in 1992). The Environmental Protection Agency (EPA) has designated CCC the potentially responsible party for groundwater contamination near four former Corporation grain storage locations. In fiscal year 1992, CCC estimated its liability for cleanup costs could reach \$30 million from fiscal year 1992 through 1998 for operations and maintenance costs associated with the Department's hazardous waste management program. The fiscal year 1992 losses included an accrual of \$29 million representing CCC's liability for fiscal year 1992 through 1998 cleanup costs. CCC's newly adopted policy of not accruing for future year expenses for this activity resulted in the 1992 accrual being restated to \$.5 million in fiscal year 1993. Other hazardous waste management costs are being paid for by the USDA Hazardous Waste Management appropriation.
- (60) An increase of \$385,000,000 in Food for Progress expense (\$0 in 1992). As part of a \$1,600,000,000 U.S. assistance package to Russia announced by the President in April 1993, \$700,000,000 in assistance was furnished by the Food for Progress (FFP) authority. The \$385,000,000 loss represents a one-time subsidized cost of commodity credits and ocean freight differential which was accomplished via a funds transfer from CCC.
- (61) An increase of \$32,680,184 in net interest expense (\$47,011,861 in 1992). A decrease in commodity loan interest income due to a lower commodity loan repayment rate and a large decrease in miscellaneous interest income contributed to the overall increase. This increase was partially offset by a reduced average interest rate paid on borrowings from Treasury (3.50% in 1993 versus 4.70% in 1992).



- (62) A decrease of \$22,072,095 in operating expenses (\$84,707,039 in 1992). Lower miscellaneous operating expenses, including a \$12 million reduction in automated data processing nonexpendable property expenses, are primarily responsible for the decrease.
- (63) An increase of \$97,319,402 in adjustment for accounting "lag" activity (-\$97,319,402). The increase reflects the impact of accounting adjustments in fiscal year 1992 which have not yet been made in fiscal year 1993.

## RECONCILIATION TO BUDGET AUTHORITY

The analysis on the preceding pages of realized losses covers the differences between the actual 1992 and 1993 losses of the Corporation. The 1992 losses have been fully reimbursed and the 1993 losses have been partially reimbursed. Regardless of whether appropriations made to CCC are to restore losses or are for other purposes, the Corporation must record losses in its books for numerous required purposes, including the computation of capital impairment.

The following table reconciles budget authority with appropriations:

(thousands of dollars)

	1994	1995
Appropriation (for realized losses)...	\$18,000,000	\$15,500,000 a/
Portion applied to CCC debt reduction.	<u>-18,000,000</u>	<u>-15,500,000</u>
Adjusted Appropriation.....	---	---
Adjustments.....		
Authority to borrow.....	+10,872,435	+8,827,202
CCC Export Guarantee Liquidating Account appropriation.....	---	---
CCC Export Loans Program Account....	+403,277	+397,830
National Wool Act appropriation.....	<u>+179,305</u>	<u>+197,952</u>
Budget Authority (net).....	<u>\$11,455,017</u>	<u>\$ 9,422,984</u>

a/ Proposed to be reimbursed through current, indefinite appropriation as authorized by the Omnibus Budget Reconciliation Act of 1987.

The following tables reflect actual and estimated losses by commodity and program for fiscal years 1992 through 1995.

Fiscal Year 1992—Actual (millions of dollars)

ITEM	TOTAL	FEED GRAINS AND PRODUCTS	WHEAT AND PRODUCTS	RICE	UPLAND COTTON	DAIRY PRODUCTS	ALL OTHER COMMODITIES AND PROGRAMS <sup>a/</sup>
<b>Program Costs:</b>							
Gain(-) or loss on sales	267.5	113.6	14.9	16.6	12.9	103.3	6.2
Domestic donations	363.9	10.4	60.8	3.0	—	252.0	37.7
Export donations	353.2	181.9	4.3	2.8	—	145.9	18.3
Storage and handling	122.2	55.8	40.0	0.2	0.1	25.7	0.4
Transportation	23.3	-0.1	-0.1	0.1	—	23.3	0.1
Loans written off	94.1	—	—	—	-0.2	—	94.3
Cash deficiency payments	7,364.5	4,305.0	1,382.1	556.9	1,114.9	—	5.6
Cash loan deficiency payments	605.3	—	—	64.5	522.8	—	18.0
User Marketing cash payments	140.3	—	—	—	140.3	—	—
Dairy termination program	2.4	—	—	—	—	2.4	—
Producer storage payments	17.3	2.7	14.6	—	—	—	—
FCIC crop indemnity payments	338.0	—	—	—	—	—	338.0
Livestock assistance	104.3	—	—	—	—	—	104.3
Export enhancement program certificates	595.2	—	—	—	—	—	595.2
Export enhancement program cash payments	575.6	—	—	—	—	—	575.6
Dairy export incentive cash	24.4	—	—	—	—	24.4	—
Dairy export incentive certs	33.2	—	—	—	—	33.2	—
Market promotion program cash payments	196.3	—	—	—	—	—	196.3
Marketing loan write-offs	384.0	—	—	57.1	320.3	—	6.6
Marketing assessments and loan origination fees	-232.9	-7.0	—	—	—	-146.3	-79.6
Other <sup>b/</sup>	142.9	-1.9	-7.2	0.2	—	23.9	127.9
<b>Total program costs</b>	<b>11,515.0</b>	<b>4,660.4</b>	<b>1,509.4</b>	<b>701.4</b>	<b>2,111.1</b>	<b>487.8</b>	<b>2,044.9</b>
<b>Nonprogram costs:</b>							
<b>Interest (net):</b>							
Support and related	19.1	—	—	—	—	—	—
Export credit sales	27.9	—	—	—	—	—	—
Operating expenses	114.7	—	—	—	—	—	—
<b>Total nonprogram costs</b>	<b>161.7</b>	—	—	—	—	—	—
<b>Total, net realized losses</b>	<b>11,676.7</b>	—	—	—	—	—	—

a/ Other commodities and programs include soybeans, minor oilseeds, tobacco, peanuts and peanut products, vegetable oil products, honey, sugar, administrative equipment, ocean transportation for export donations, export enhancement, and market promotion.

b/ Other costs include deficiency and diversion certificate expenses, ocean transportation for export donations, APHIS eradication of animal and plant disease, depreciation costs associated with administrative equipment, dairy assessment refunds, cost share assistance, and miscellaneous expenses.

Fiscal Year 1993—Actual (millions of dollars)

ITEM	TOTAL	FEED GRAINS AND PRODUCTS	WHEAT AND PRODUCTS	RICE	UPLAND COTTON	DAIRY PRODUCTS	ALL OTHER COMMODITIES AND PROGRAMS a/
<b>Program Costs:</b>							
Gain(-) or loss on sales	105.7	37.8	15.5	1.1	19.2	33.1	-1.0
Domestic donations	292.2	11.5	12.6	1.7	—	225.8	40.6
Export donations	582.5	219.5	206.4	3.4	—	149.4	3.8
Storage and handling	86.7	19.1	44.6	0.3	0.7	21.4	0.6
Transportation	16.8	0.1	0.3	—	—	16.3	0.1
Loans written off	269.6	—	—	—	0.1	—	269.5
Producer storage payments	9.0	0.4	8.6	—	—	—	—
Cash deficiency payments	6,297.1	2,596.6	1,943.8	628.6	1,114.4	—	13.7
Cash loan deficiency payments	421.7	—	2.0	257.8	170.8	—	-8.9
User marketing cash payments	113.6	—	—	—	113.6	—	—
Dairy export incentive cash	134.6	—	—	—	—	134.6	—
Rice marketing cash payments	36.1	—	—	36.1	—	—	—
User marketing certificate payments	91.6	—	—	—	91.6	—	—
Livestock assistance	59.6	—	—	—	—	—	59.6
Cash crop disaster payments	1,000.6	—	—	—	—	—	1,000.6
Market promotion program cash payments	168.7	—	—	—	—	—	168.7
Export enhancement program cash payments	874.5	—	—	—	—	—	874.5
FCIC Crop Indemnity Payments	500.0	—	—	—	—	—	500.0
Marketing loan write-offs	693.4	—	—	207.0	478.6	—	7.8
Marketing assessments and loan origination fees	-291.1	-8.5	—	—	—	-202.2	-80.4
Food for progress expense	385.0	—	—	—	—	—	385.0
Other b/	447.0	-0.1	0.3	-0.3	-0.8	50.6	397.3
<b>Total program costs</b>	<b>12,294.9</b>	<b>2,876.4</b>	<b>2,234.1</b>	<b>1,135.7</b>	<b>1,988.2</b>	<b>429.0</b>	<b>3,631.5</b>
<b>Nonprogram costs:</b>							
<b>Interest (net):</b>							
Support and related	82.2	—	—	—	—	—	—
Short-term and intermediate export credit sales	-2.5	—	—	—	—	—	—
Operating expenses	79.7	—	—	—	—	—	—
<b>Total nonprogram costs</b>	<b>159.4</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total, net realized losses</b>	<b>12,454.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

a/ Other commodities and programs include rice, soybeans, tobacco, peanuts and peanut products, vegetable oil products, extra long staple cotton, honey, sugar, sunflower seed, flaxseed, canola, rapeseed, mustard seed, safflower seed, export enhancement, market promotion and FCIC crop indemnity.

b/ Other costs include deficiency and diversion certificate expenses, ocean transportation for export donations, depreciation costs associated with administrative equipment, APHIS eradication of animal and plant disease, dairy assessment refunds, cost share assistance, and miscellaneous expenses.



Fiscal Year 1994 - Estimated (millions of dollars)

ITEM	TOTAL	FEED GRAINS AND PRODUCTS	WHEAT AND PRODUCTS	RICE	UPLAND COTTON	DAIRY PRODUCTS	ALL OTHER COMMODITIES AND PROGRAMS
<b>Program Costs:</b>							
Gain(-) or loss on sales	85.1	0.7	2.9	3.5	6.0	56.9	15.1
Domestic donations	245.6	12.2	5.8	2.6	—	181.0	44.0
Export donations	648.6	114.8	80.8	34.8	—	344.4	73.8
Storage and handling	77.6	16.4	41.0	0.2	0.1	15.7	4.2
Transportation	18.4	1.1	—	—	—	17.3	—
Loans written off	103.7	—	—	—	—	—	103.7
Producer storage payments	34.8	31.8	3.0	—	—	—	—
Cash deficiency payments	4,906.1	2,041.2	1,787.0	204.2	862.0	—	11.7
Cash loan deficiency payments	57.4	—	-1.2	-7.0	63.0	—	2.6
User marketing cash payments	132.0	—	—	—	132.0	—	—
Rice marketing cash payments	21.0	—	—	21.0	—	—	—
User marketing cart payments	100.0	—	—	—	100.0	—	—
Dairy export incentive cash	156.0	—	—	—	—	156.0	—
Market promotion program cash payments	123.9	—	—	—	—	—	123.9
Export Enhancement Program cash payments	1,000.0	—	—	—	—	—	1,000.0
FCIC Crop Indemnity Payments	370.1	—	—	—	—	—	370.1
Marketing loan write-offs	283.8	—	—	20.4	255.4	—	8.0
Foreign loans charged off	220.2	—	—	—	—	—	220.2
Crop Disaster Payments	1,000.0	—	—	—	—	—	1,000.0
Marketing assessments and loan origination fees	-295.5	0.5	—	—	—	-216.0	-80.0
Other b/	345.4	—	—	—	—	53.9	291.5
<b>Total program costs</b>	<b>9,634.2</b>	<b>2,218.7</b>	<b>1,919.3</b>	<b>279.7</b>	<b>1,418.5</b>	<b>609.2</b>	<b>3,188.8</b>
<b>Nonprogram costs:</b>							
<b>Interest (net):</b>							
Support and related	164.7	—	—	—	—	—	—
Short-term and intermediate export credit sales	6.0	—	—	—	—	—	—
Operating expenses	12.3	—	—	—	—	—	—
<b>Total nonprogram costs</b>	<b>183.0</b>	—	—	—	—	—	—
<b>Total, net realized losses</b>	<b>9,817.2</b>	—	—	—	—	—	—

a/ Other commodities and programs include soybeans, tobacco, peanuts and peanut products, vegetable oil products, extra long staple cotton, honey, sugar, sunflower seed, flaxseed, canola, rapeseed, mustard seed, safflower seed, market promotion, export enhancement, FCIC crop indemnity, and foreign loans charged off.

b/ Other costs include miscellaneous expenses, ocean transportation for export donations, cost share assistance, dairy assessment refunds, and depreciation costs associated with administrative equipment.

Fiscal Year 1995—Estimated (millions of dollars)

ITEM	TOTAL	FEED GRAINS AND PRODUCTS	WHEAT AND PRODUCTS	RICE	UPLAND COTTON	DAIRY PRODUCTS	ALL OTHER COMMODITIES AND PROGRAMS a/
<b>Program Costs:</b>							
Gain(-) or loss on sales	86.3	—	—	—	0.1	57.8	8.6
Domestic donations	165.3	—	—	—	—	163.6	1.7
Export donations	118.4	7.7	—	—	—	110.7	—
Storage and handling	68.8	12.5	42.6	0.2	—	9.1	4.4
Transportation	17.3	0.3	—	—	—	17.0	—
Loans written off	41.1	—	—	—	—	—	41.1
Producer storage payments	23.1	23.1	—	—	—	—	—
Cash deficiency payments	5,960.7	2,582.8	2,146.0	465.9	765.0	—	1.0
Cash loan deficiency payments	29.4	—	—	24.9	—	—	4.5
User marketing cash payments	123.0	—	—	—	123.0	—	—
User marketing cert payments	100.0	—	—	—	100.0	—	—
Dairy export incentive cash	156.0	—	—	—	—	156.0	—
Market promotion program cash payments	75.0	—	—	—	—	—	75.0
Export Enhancement Program cash payments	1,000.0	—	—	—	—	—	1,000.0
FCIC Crop Indemnity Payments	128.9	—	—	—	—	—	128.9
Marketing loan write-offs	4.0	—	—	1.0	—	—	3.0
Crop Disaster Payments	1,000.0	—	—	—	—	—	1,000.0
Marketing assessments and loan origination fees	-302.3	—	—	—	—	-233.4	-68.9
Other b/	106.6	—	—	—	—	55.5	53.1
<b>Total program costs</b>	<b>8,883.6</b>	<b>2,626.4</b>	<b>2,188.6</b>	<b>492.0</b>	<b>988.1</b>	<b>336.1</b>	<b>2,252.4</b>
<b>Nonprogram costs:</b>							
<b>Interest (net):</b>							
Support and related	119.9	—	—	—	—	—	—
Short-term and intermediate export credit sales	15.1	—	—	—	—	—	—
Operating expenses	7.9	—	—	—	—	—	—
<b>Total nonprogram costs</b>	<b>142.9</b>	—	—	—	—	—	—
<b>Total, net realized losses</b>	<b>9,026.5</b>	—	—	—	—	—	—

a/ Other commodities and programs include soybeans, tobacco, peanuts and peanut products, vegetable oil products, extra long staple cotton, honey, sugar, sunflower seed, flaxseed, canola, rapeseed, mustard seed, safflower seed, market promotion, export enhancement, FCIC crop indemnity, and crop disaster payments.

b/ Other costs include ocean transportation for export donations, cost share assistance, dairy assessment refunds, and miscellaneous expenses.

## COMMODITY CREDIT CORPORATION

## STATUS OF PROGRAM

## Introduction

The Commodity Credit Corporation carries out operations on a nationwide basis involving many agricultural commodities. These actions have an economic impact on domestic and international markets. The Corporation makes loans on agricultural commodities and may barter agricultural commodities for materials, goods, services, and equipment. CCC operations, including the purchase, sale, storage, and handling of commodities and materials, involve many different trade practices. The Corporation uses normal trade facilities to the fullest practicable extent in its operations. Such facilities include commercial banks, growers organizations, brokers, exporters, cooperative associations, warehouses, and others.

Although ASCS, through its personnel and facilities, administers support operations, the programs are financed by the Corporation.

The principal activities carried out by the Corporation involve:

- |                                   |  |
|-----------------------------------|--|
| 1. Support and related activities | 4. Supply and foreign purchase         |
| 2. Commodity export activities    | 5. Acquisition and disposal activities |
| 3. Storage activities             | 6. Special activities                  |

## SUPPORT AND RELATED ACTIVITIES

Commodities Covered

ASCS administers support programs for corn, grain sorghum, barley, oats, wheat, rye, cotton (upland, extra long staple, and seed), rice, dairy products, tobacco, peanuts, sugar beets and cane, honey, oilseeds (soybeans, sunflower seed, canola, rapeseed, safflower seed, flaxseed, and mustard seed), wool, and mohair.

Purpose of Support Activity

CCC support activity provides a more orderly marketing environment for farmers, particularly in periods when bountiful harvests threaten to push prices of farm commodities down to unprofitable levels. Inventories accumulated during these periods are released into the marketplace as needed to stabilize supplies and prices.

Technique for Administering Support Operations

Support is achieved through loans, purchases, and payments for selected commodities at announced or guaranteed levels. The Food, Agriculture, Conservation and Trade Act of 1990 (FACT Act) continued the target price and loan rate system for the 1991 through 1995 crops, providing income support and price protection to farmers. Income to growers is protected through an established target price mechanism for the major commodities: feed grains, rice, wheat, and cotton. If the average market price for the stated period drops below the target level, a deficiency payment is made to eligible producers equal to the difference between the target price and the higher of the loan level or the market price.

The FACT Act of 1990 continues to allow CCC to issue generic commodity certificates as well as cash in making such payments. These certificates are generic in that they may be exchanged for any commodity either owned by CCC or under loan.

For the 1992 crops, wheat, feed grain, cotton and rice producers received 50 percent of their estimated deficiency payment in advance and in cash. For the 1993 crops, wheat, feed grain, cotton and rice producers also received 50 percent of their estimated deficiency payment in advance and in cash. In fiscal years 1992 and 1993, 913,877 complying farms received \$7,123.4 million in 1992 crop cash deficiency payments. In fiscal year 1993, \$8,606.8 million in total cash deficiency payments were made. Of this amount -\$1.5 million was for 1991 crops, \$4,635.4 million for the 1992 crops, and \$3,968.5 million for the 1993 crops. In fiscal year 1993, 982,060 complying farms received the \$3,968.5 million in 1993 crop cash deficiency payments.

Beginning with the 1982 crops, disaster payments are authorized only for wheat, feed grain, upland cotton, and rice producers for whom Federal crop insurance was not available and who were prevented from harvesting a designated percentage of their normal production because of natural disaster. The 1985 Food Security Act extended eligibility to receive disaster payments to peanut, soybean, and sugar producers in addition to wheat, feed grain, upland cotton, and rice producers. The Secretary may also authorize disaster payments if losses create an economic emergency too serious to be relieved by crop insurance or other Federal assistance. Payments may be made in cash, in kind from CCC-owned stocks, or in generic certificates. The FACT Act continues these authorities. Disaster payments were legislated for selected crops in 1988, 1989, 1991, 1992, and 1993.

Eligibility for support loans, purchases, and payments is conditional on compliance with program requirements for the particular commodity, including acreage reduction and land diversion provisions, if in effect. Support loans to producers are "nonrecourse." With this type of loan, producers are guaranteed at least the support price for the commodity they have put up as collateral. If market prices are above support levels, producers can pay off their loans and market their commodity. If market prices fail to rise above support levels, producers can deliver the commodity to the Corporation and discharge their obligations in full.

Under the 1985 Act the Secretary of Agriculture had, for the first time, authority to permit commodity loan repayments at less than the original loan principal--the so-called "marketing loan" provision. The marketing loan reduces the likelihood of loan collateral forfeitures and enhances market competitiveness for U.S. commodities. Under the FACT Act, marketing loans must be available for cotton, rice, soybeans, and minor oilseeds, and are discretionary for wheat, feed grains, and honey. Marketing loans were in effect for 1985 through 1990 crops of rice and 1986 through 1990 crops of upland cotton and honey. Marketing loans are currently in effect for these same commodities and the minor oilseeds for the 1992 and 1993 crops. In addition, beginning with the 1993 crops, marketing loan provisions have been made available for the first time to wheat and feed grain producers. These provisions will be available to wheat and feed grain producers through the 1995 crop.

CCC is authorized to make recourse loans to producers for on-farm storage facilities. However, the CCC Charter Act, as amended, mandates that facility loans be available in areas where the Secretary determines there is a shortage of farm storage. These loans are carried in the accounts at the unpaid principal balance and are secured by chattel or real estate mortgages. Seed cotton loans are made on a recourse basis during cotton ginning operations. For most commodities, loans are made directly to producers on the



unprocessed commodity through ASCS county offices. Some commodities are also purchased directly from processors. Milk prices are supported through purchases of processed dairy products from processors. Support on tobacco and peanuts is carried out through loans to producer associations that, in turn, make support available to producers. Loans may also be made available through cooperative marketing associations for cotton and grains instead of through ASCS county offices. In order to more effectively recover the cost of money to CCC, a variable interest rate is charged by CCC on commodity and storage facility loans. The initial interest charged to producers by CCC is the rate charged CCC by the U.S. Treasury during the month the loan is disbursed. The average CCC loan interest rate in fiscal year 1993 was 3.5 percent. In fiscal year 1994, the monthly interest rate was 3.375 percent in October and November, 3.5 percent in December, and 3.625 percent in January.

#### Loan and Purchase Volume - Fiscal Year 1993

Dollar volume of support extended through loans in fiscal year 1993 totaled \$9,066.9 million, with acquisitions of commodities under loan amounting to \$43.3 million. Purchases of dairy products, purchases of products of wheat, corn, oats, peanuts, and vegetable oils for donations and purchases of grains, soybeans, and oilseeds on which loans are also made totaled \$1,729.5. Of this amount, \$315.0 million was for dairy products. Also, \$141.2 million of total purchases was for commodity certificates transferred from the loan account. These certificate purchases represent a required accounting transaction to show the effect on inventory of certificate payments to producers used to redeem outstanding commodity loans. The associated reduction in outstanding loans is recorded as a loan repayment receipt, which fully offsets the inventory purchase expenditure. Therefore, no net expenditures result from this required certificate accounting treatment.

Loan availability varies by commodity. For the major commodities, the loan availability period is as follows:

- |  |   |
|--|---|
| a. Wheat, rice, barley, oats, rye, canola, rapeseed, and flaxseed                    | - from time of harvest through March 31   |
| b. Corn, sorghum, cotton, soybeans, sunflower seed, safflower seed, and mustard seed | - from time of harvest through May 31     |
| c. Peanuts:  |   |
| Warehouse Stored   | - from time of harvest through January 31 |
| Farm-Stored Quota  | - from time of harvest through March 31   |
| Farm-Stored Additional   | - from time of harvest through January 31 |

#### Acreage Reduction and Diversion Programs

The FACT Act of 1990, as amended by the Omnibus Budget Reconciliation Act of 1990 (OBRA-90), and the Omnibus Budget Reconciliation Act of 1993 (OBRA-93), continues the Secretary's authority to reduce acreage planted for the 1991 through 1995 crops when supplies are excessive through acreage reduction (ARP) and paid land diversion (PLD) programs, or a combination of these. Specific acreage reduction programs continue to be required when carryover stocks are expected to exceed certain levels. APR levels are determined by stocks-to-use ratio with minimum and maximum levels determined for each crop. Zero ARP levels are allowed, as well as separate levels for each feed grain.

The "GATT trigger" provisions, included in the OBRA-90, gave the Secretary authority to waive the minimum ARP rates specified in law if no GATT agreement was reached by June 30, 1992. However, to lower projected government spending, the Omnibus Budget Reconciliation Act of 1993 revokes the Secretary's authority to waive minimum ARP levels. The OBRA-93 reestablished crop years 1993-95 minimum ARP's outlined in the 1990 Budget Act. The OBRA-93 though, does eliminate the minimum ARP levels for the 1993-95 crops of grain sorghum and barley.

Minimum ARPs do not apply if market conditions indicate stock-to-use levels would fall below triggers established in OBRA-90. The 1993 Budget Act reduces cotton's ratio of carryover to total disappearance from the current 30% for 1993-94 crop years, to 29.5% for the 1995-96 crop years, and 29% for the 1997 crop year. The stocks-to-use ratio remains the same, as specified in the 1990 Budget Act, for wheat, feed grains, and rice.

For the 1992 crops, acreage reduction requirements were 5% for corn, grain sorghum and barley, 0% for oats (mandated level through 1995), 0 % for rice, 10% for upland cotton, 5% for ELS cotton and 5% for wheat. The ARP requirements for the 1993 crops are 0% for wheat, 10% for corn, 5% for grain sorghum, 0% for barley, 7.5% for upland cotton, 20% for ELS cotton and 5% for rice.

The Secretary is also authorized to make land diversion payments to assist in adjusting the acreage of commodities to desirable goals. These payments may be made in cash, in kind, or in generic certificates which may be redeemed for CCC-owned commodities. No diversion programs were in effect for the 1992 and 1993 wheat, feed grain, cotton and rice crops.

The FACT Act provides for planting flexibility, in which producers can choose to plant up to 25% of the crop acreage base with any CCC-specified crop without a reduction in the program crop acreage base on the farm. The 1990 Budget Act amended the 1949 Act to reduce the acreage on which deficiency payments would be paid by an amount equal to 15 percent of the crop acreage base for the 1991-95 crops to be known as normal flex acreage. The remaining 10 percent is known as optional acreage. This program remains the same under the OBRA-93.

#### Certificate Programs

The 1985 Food Security Act authorized, and the FACT Act continues, a number of programs that allows for payments to be made in generic certificates. These programs include the Market Promotion Program (formerly known as the Targeted Export Assistance Program), the Export Enhancement Program and the Dairy Export Incentive Program (DEIP), all designed to maintain and expand export markets for U.S. agricultural commodities and counter unfair trade practices by foreign competitors; CCC discontinued certificate issuance during fiscal year 1993 for all programs except the Upland Cotton User Marketing Program. The total CCC value of certificates issued in fiscal year 1993 for all purposes was \$91.4 million.

The table below itemizes CCC certificate payments by program for fiscal years 1992 and 1993:

Actual CCC Value of Certificates Issued (thousands of dollars)

	<u>FY 1992</u>	<u>FY 1993</u>
Deficiency Payments .....	-\$965	-\$616
Diversion Payments .....	-196	107
Upland Cotton Loan Deficiency .....	-6	-140
Upland Cotton User Marketing .....	--	91,640
Rice Marketing .....	-1	--
Disaster Certificates (1986 crop) .....	-71	40
Disaster Certificates (1989 crop) .....	-751	-94
Export Enhancement Program .....	595,194	752
Market Promotion Program (formerly TEA) .....	-10	2
Conservation Reserve Program .....	-178	-251
Emergency Feed Program .....	-9	--
Dairy Export Incentive Program .....	<u>33,165</u>	<u>--</u>
Total	\$626,172	\$91,440

Note: The Upland Cotton User Marketing Program was the only active certificate program in fiscal year 1993.

#### Disaster Assistance

The Dire Emergency Supplemental Appropriations and Transfers Act of 1992, P.L. 102-229, enacted December 12, 1991, provided disaster payments for low yield 1990, 1991, or 1992 crops, cost-share assistance for loss of tree seedlings, assistance for emergency livestock feed, and other emergency provisions due to damaging weather or related conditions. The initial portion of the legislation provided for payments to producers with either 1990 or 1991 eligible tree assistance program and program/non program crop losses. During the initial signup period (February 3, 1992 - March 13, 1992), eligible producers on a farm were limited to receiving assistance in only one of the two crop years. The remaining portion of the funding appropriated by P.L. 102-229 was made available by request of the President on September 2, 1992, for disaster payments on 1990, 1991, or 1992 program/non program crop losses. In fiscal year 1992, \$961.4 million in 90/91 crop disaster payments were made in cash from this appropriation. In fiscal year 1993, \$767.0 million in 90-92 crop disaster payments were made in cash from this appropriation.

The fiscal year 1992 Dire Emergency Supplemental Appropriations Act, P.L. 102-368, enacted September 23, 1992, provided additional funding for eligible program/non program crop losses associated with natural disasters such as Hurricanes Andrew and Iniki and Typhoon Omar. An initial amount of appropriated funding was available immediately, with an additional amount of \$100 million made available after an official budget request was submitted by the President. In order to pay claims at the same prorated factor as the first payments on 1990 and 1991 crops (50.04 percent), use of CCC funds was also authorized.

The Supplemental Appropriations Act of 1993, P.L. 103-50, enacted July 2, 1993, authorized payments using the remaining balances from P.L. 102-229 and P.L. 102-368 for 1990, 1991,



and 1992 crop quality adjustments and for 1993, 1994, and 1995 crop losses related to Hurricanes Andrew and Iniki and Typhoon Omar. The authority to use CCC funds was also rescinded. Payments resulting from applications for disaster payments which were filed after July 2, 1993 were to be made under a newly calculated proration factor. The remaining portion of the \$100 million funding appropriated by P.L. 102-368 was made available by request of the President on July 4, 1993. These funds were to fund losses from natural disasters such as those resulting from the Midwest flooding.

The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, appropriated funds for 1993 crop losses due to damaging weather and related conditions occurring in 1993. The Act also required the \$100 million released on July 4, 1993 remain available until June 30, 1994, and be used for 1993 crop disaster losses only. An initial amount of appropriated funding was available immediately, with an additional amount made available after an official budget request was submitted by the President. The use of CCC funds was also authorized if extraordinary circumstances existed that warranted further assistance from CCC. The remaining portion of the funding appropriated by P.L. 103-75 was made available by request of the President on August 12, 1993. The use of CCC funds was also authorized on the same day. An application deadline of September 17, 1993 was also established for 1993-1995 crops loss of production claims related to Hurricanes Andrew and Iniki and Typhoon Omar and 1990-1992 crops quality loss claims resulting from other disasters (P.L. 103-50 claims). The Act provides for 1993 crop loss benefits to be paid by June 1994. It also authorizes payments for 1993 crop losses to be made in an amount equal to 100 percent of each eligible claim except for 1993 losses related to Hurricanes Andrew and Iniki and Typhoon Omar.

During the sign-up period which ends March 4, 1994, payments in an amount of 100 percent of each eligible claim will be made. In fiscal year 1993, \$104.4 million in 1993 crop disaster payments were made from the P.L. 103-75 appropriation.

Disaster payments for 1990, 1991, 1992, and 1993 losses are made in the manner specified in Title XXII of the FACT Act of 1990. Under these provisions, program crop losses are made at 65 percent of the target price of the commodity, while non program crop losses are made at 65 percent of the market price of the commodity. Eligibility for assistance is limited to producers with gross revenues of less than \$2 million, and payments to any person cannot exceed \$100,000. The FACT Act also prohibits duplicate disaster and deficiency payments on the same bushel of lost production and provides that claims in excess of available funding be prorated among eligible producers.

#### Tree Assistance Program

The Disaster Assistance Act of 1988 authorized the Secretary of Agriculture to reimburse eligible persons for losses of tree seedlings killed by drought or related conditions, if they were planted for commercial purposes in 1987 or 1988. Drought loss of eligible seedlings on an individual stand must have exceeded 35 percent, after adjustment for normal seedling mortality. Reimbursement was made for 65 percent of the cost of replanting that portion of the adjusted loss which exceeded 35 percent. Tree owners with 1,000 acres or less of commercial trees and less than \$2 million annually in gross revenues were eligible for payments. No person was permitted to receive more than \$25,000 in 1988 Tree Assistance Program payments.

The Disaster Assistance Act of 1989 extended this program for trees and seedlings lost as a result of freezing or related conditions in 1989. Losses of seedlings on an individual



stand exceeding 45 percent, after adjustment for normal seedling mortality, were eligible for reimbursement. Reimbursement was made for 65 percent of the cost of replanting that portion of the adjusted loss which exceeded 45 percent. The eligibility and payment limitation requirements in effect for the 1988 Tree Assistance Program also applied to tree owners participating in the 1989 Program.

The Disaster Assistance Act of 1989 also provided for cost-share payments to producers who suffered a loss of orchard trees or seedlings due to freezing, earthquake damage or related conditions in 1989. Assistance was available for 65 percent of the cost of replanting that portion of the loss which exceeded 45 percent to producers who owned 500 acres or less of these trees.

The fiscal year 1992 Dire Emergency Supplemental Appropriations Act of 1992, P.L. 102-368, provided a separate appropriation for the Tree Assistance Program of \$48,000,000 for costs arising from consequences of recent natural disasters such as Hurricanes Andrew and Iniki or Typhoon Omar. Payments for this program were determined in accordance with the FACT Act of 1990.

Tree Assistance Program payments totaled \$2.2 million in fiscal year 1989, \$3.1 million in fiscal year 1990, \$13.3 million in fiscal year 1991, \$6.0 million in 1992, and \$16.9 million in 1993.

The Emergency Supplemental Appropriations for Relief from the Major, Widespread Flooding in the Midwest Act of 1993, P.L. 103-75, signed August 12, 1993, appropriated funds for 1993 crop losses due to damaging weather and related conditions occurring in 1993. Tree Assistance Program payments made under this appropriation are to be determined in accordance with the FACT Act of 1990.

#### Grain Reserves

The Farmer-owned Reserve (FOR) program allows eligible producers to store wheat or feed grains under loan and receive annual storage payments. The FOR is available for producers only for years when prices are low and stocks are high. A determination as to whether the FOR will be opened for a crop is made for wheat by December 15 of the year in which the crop is harvested and for corn and other feed grains by March 15 of the year following the year in which the crops are harvested. Grain must have been under 9-month loan until maturity before it is eligible for the FOR. The maximum FOR term is 27 months. Producers may redeem their grain at any time without penalty.

The FACT Act of 1990 provides specific triggers which must be met before the FOR is opened. If prices for the 90 day period preceding the FOR announcement date average below 120 percent of the loan rate and the projected ending stocks-to-use ratio for the marketing year is more than 37.5 percent for wheat (22.5 percent for corn), the FOR must be opened for the crop. If only one of the triggers is met, the FOR may be opened. If neither trigger is met, the FOR may not be opened. The FOR was opened for the 1990 crop of wheat but not for the 1991 and 1992 crops of wheat, and the 1990 and 1991 crops of feed grains. The Secretary announced on January 7, 1993 that the FOR would be opened for the 1992 crops of corn, grain sorghum, and barley. FOR storage payments are made the end of each quarter at an annual rate of 26.5 cents per bushel. Storage payments stop when the market price for a commodity reaches 95 percent of the target price. Interest charges may begin when the market price reaches 105 percent of the target price.

Commodities in the farmer-held grain reserve as of January 4, 1994, are as follows:

<u>Crop</u>	<u>Bushels</u> <u>(millions)</u>	<u>Metric Tons</u> <u>(millions)</u>
Corn.....	231.1	5.9
Grain Sorghum.....	6.8	.2
Barley.....	<u>7.2</u>	<u>.1</u>
Total Feed Grains.....	245.1	6.2
Wheat.....	<u>16.8</u>	<u>.5</u>
Total.....	261.9	6.7

A food security wheat reserve of 147 million bushels was established on January 16, 1981, under the provisions of the Agricultural Act of 1980. Wheat may only be released from the reserve by special authorization. Once released, the wheat may be used only to meet urgent humanitarian food needs in developing countries under Public Law 480. CCC shall be reimbursed from Public Law 480 funds at the lower of actual costs incurred or the export market price of wheat at the time of release.

#### Dairy Program

The FACT Act of 1990, as amended by the Omnibus Budget Reconciliation Act (OBRA) of 1990 continued price support for milk at \$10.10 per hundredweight for the period January 1 through December 31, 1992.

The fiscal year 1993 OBRA savings were achieved through a deduction of 11.25 cents per hundredweight on all milk marketed from January 1 through April 30, 1993, 16.35 cents from May 1 through September 30, 1993, and 14.72 cents from October 1 through December 31, 1993.

The Food Security Act of 1985 provided for a milk production termination or "whole-herd buyout" program effective for an 18-month period beginning April 1, 1986. Under the program, producers receive payment from CCC in exchange for discontinuing milk production for five years. Payments are based on accepted contract bids submitted by producers and are made over a six-year period covering fiscal years 1986 through 1991. Bids were accepted to end dairy production in three periods: April-August 1986, September 1986-February 1987, and March-August 1987. Dairy termination payments made to producers in fiscal years 1986 through 1993 are as follows:

**Dairy Termination Payments**  
(dollars in millions)

Fiscal Year	Dollars
1986	\$489.2
1987	587.0
1988	259.5
1989	167.9
1990	188.8
1991	96.1
1992	2.4
1993	--
Cumulative	\$1,790.9

### Sugar Program

The FACT Act required a sugar price support loan program for the 1992 through 1995 crops. The OBRA-93 extended the requirement through the 1997 crops. Under this program, the Secretary of Agriculture supports the price of (1) domestically grown sugarcane through nonrecourse loans at not less than 18.0 cents per pound for raw cane sugar, and (2) domestically grown sugar beets at a level that is equitable in terms of the 5-year weighted average ratio or return to sugarcane growers plus fixed marketing expenses. The national average loan rate for refined beet sugar is 23.33 cents per pound for the 1992 crop, and 23.62 cents for the 1993 crop. The FACT Act, as amended by OBRA, requires the first processor of sugarcane and sugar beet to remit to the Commodity Credit Corporation a nonrefundable marketing assessment. This assessment on a per pound basis is equal to 0.18 cents for raw cane sugar and 0.193 cents for beet sugar marketed from domestically produced sugarcane and sugarbeets for each of the 1992 through 1994 crops. The FACT Act continues to mandate that the program be operated at no cost to the Federal Government by preventing the accumulation of sugar by the CCC.

### Wool and Mohair Program

Payments made during fiscal year 1993 on 1992 wool marketings totaled \$116.0 million. Payments made on mohair marketings during fiscal year 1993 totaled \$60.5 million. The program is discussed further under the National Wool Act elsewhere in these Notes.

### Prompt Payment Act Interest Payments

The Rural Development, Agriculture and Related Agencies Appropriations Act for Fiscal Year 1988 (P.L. 100-202) requires CCC to pay a late payment interest penalty on all types of payments, including price support loans if CCC fails to make a payment by the required due date for obligations incurred after January 1, 1988 (payments for the 1988 crop year). Because of this statutory mandate, CCC established payment due dates for farm program payments. Previously, CCC paid interest only on late payments made for the procurement of property or services. Based on provisions in the Prompt Payment Act Amendments of 1988 (P.L. 100-496), beginning with obligations incurred on or after January 1, 1989 (payments for the 1989 crop year), all CCC payments are subject to provisions of the Prompt Payment Act. Total interest paid on late payments during fiscal year 1993 was \$1.278 million.

Summaries of Support and Related Activities

Table I below itemizes cash direct payments made to producers by fiscal year:

Table I Payments to Producers, excluding PIK and Certificates (millions of dollars)

Item	1987 Actual	1988 Actual	1989 Actual	1990 Actual	1991 Actual	1992 Actual	1993 Actual
Rice	\$ 376.2	\$ 45.8	\$ 614.0	\$ 477.3	\$ 557.6	\$ 522.0	\$791.4
Feed Grains	2,363.2	2,968.5	3,499.7	2,527.2	2,557.4	2,476.4	4,877.3
Wheat	1,546.8	758.1	619.6	723.0	2,722.1	1,785.1	1,827.1
Cotton, Upland and ELS	989.2	212.5	1,109.4	453.2	401.5	887.4	1,522.4
Dairy	586.8	259.3	168.2	188.8	96.1	2.4	0
Minor Oilseeds*					3.2	29.6	6.4
Honey					3.5	4.1	5.1
Subtotal	5,862.2	4,244.2	6,010.9	4,369.5	6,341.4	5,707.0	9,029.7
Wool and Mohair	145.4	128.2	87.8	96.9	165.0	187.0	176.5
Total Payments	6,007.6	4,372.4	6,098.7	4,466.4	6,506.4	5,894.0	9,206.2

\* Includes Flaxseed, Sunflower Seed (Oil), Sunflower Seed (Non-Oil), Mustard Seed, Canola, and Rapeseed.



Table II below itemizes a summary of support and related operations:

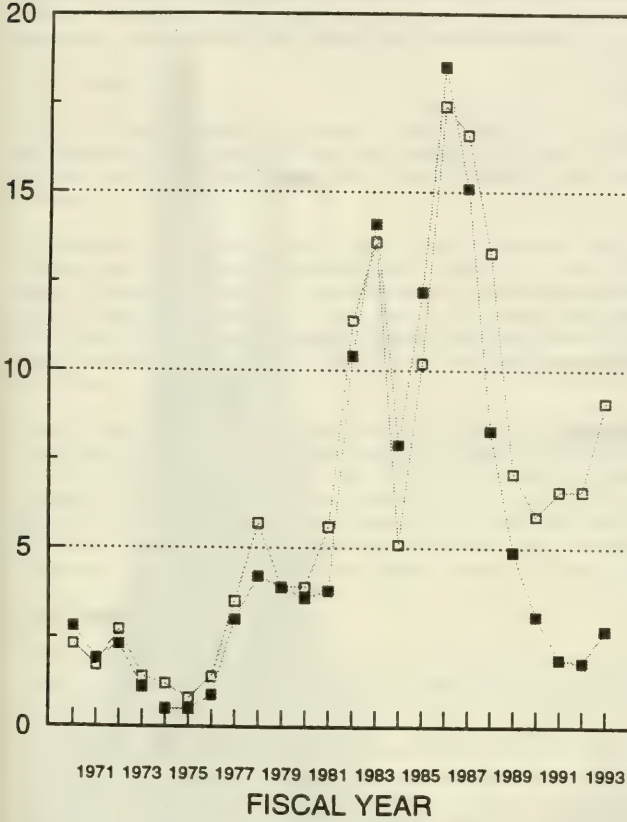
Table II - CCC Loan, Inventory, and Related Activities (millions of dollars)

Item	1991 Actual	1992 Actual	1993 Actual
<u>Support and Related Activities:</u>			
<u>Loan Activity (including Storage Facilities):</u>			
Loans Outstanding, Beginning of Year .....	\$3,071.0	\$1,858.1	\$1,769.0
Loans Made .....	6,630.8	6,577.7	9,066.9
Loans Repaid .....	-6,213.5	-5,994.1	-7,002.5
Commodity Loans Repaid with PIK .....	—	—	—
Commodity Loans Repaid with Certificates .....	-440.5	-174.0	-141.2
Marketing Loans Repaid .....	-172.8	-384.0	-693.4
Collateral Acquired .....	-993.1	-9.6	-43.3
Write-offs .....	-13.0	-94.1	-269.6
Transfers to Accounts Receivable .....	-10.8	-11.0	-11.5
Loans Outstanding, End of Year .....	1,858.1	1,769.0	2,674.4
<u>Inventory Activity:</u>			
Inventory, Beginning of Year .....	2,149.1	2,795.8	1,734.2
Commodity Purchases .....	1,249.8	1,421.2	1,588.3
Purchases for PIK .....	—	—	—
Purchases for Certificates .....	440.5	174.0	141.2
Collateral Acquired .....	993.1	9.6	43.3
Loan Collateral Settlements .....	42.7	1.9	0.6
Processing, Packaging, etc. ....	25.9	39.3	32.4
Storage and Handling .....	(193.3)	(122.2)	(86.7)
Transportation .....	(21.2)	(23.3)	(16.8)
Other Transfers (net) .....	-19.6	-2.7	-1.1
Commodity Cost of Sales .....	-676.1	-1,230.7	-1,147.2
Cost of Sales for PIK .....	0.4	—	—
Cost of Sales for Certificates .....	-939.8	-757.2	-141.5
Cost of Sales for Export Enhancement .....	-0.1	—	—
Domestic Donations .....	-304.8	-363.8	-292.2
Export Donations .....	-165.3	-353.2	-582.5
Inventory, End of Year .....	2,795.8	1,734.2	1,375.5
Payments to Producers (gross) (excludes Wool) .	6,341.4	5,707.0	9,029.7
Realized Loss .....	11,144.2	11,676.7	12,454.3
Investment in Agricultural Commodities .....	4,649.3	3,500.8	4,049.8

Exhibits 1 and 2 on the following pages depict the history of selected items on loan and inventory activities for fiscal years 1970 through 1993, and for fiscal years 1962 through 1993, respectively.

**COMMODITY LOANS MADE DURING THE YEAR  
AND OUTSTANDING LOANS AT THE END OF THE YEAR  
FISCAL YEARS 1970-1993**

DOLLARS (Billions)



LOANS MADE  
OUTSTANDING  
BALANCE

Stacked area chart showing U.S. agricultural exports from 1963 to 1993. The Y-axis represents the value in billions of dollars, ranging from 0 to 12. The X-axis represents the fiscal year from 1963 to 1993. The legend identifies eight categories: OTHER (solid black), SOYBEANS (solid dark grey), DAIRY (diagonal lines), WHEAT (cross-hatch), COTTON (diagonal lines), OTHER FEED GRAINS (solid dark grey), GRAIN SORGHUM (cross-hatch), and CORN (solid light grey). The chart shows a significant peak in total exports around 1987, reaching nearly 12 billion dollars, primarily driven by a surge in grain exports, particularly corn and wheat.

## COMMODITY EXPORT ACTIVITIES

The Corporation promotes the export of agricultural commodities and products through sales, payments, direct credit, credit guarantees, and the conduct of other activities related to the exportation of commodities. During fiscal year 1993, CCC commercial export credit activities consisted only of credit guarantees under the Export Credit Guarantee Program and the Intermediate Export Guarantee Program. There was no credit activity under the short-term or intermediate direct export credit sales programs.

### Direct Credit

CCC may provide financing of commercial export sales of eligible U.S. agricultural commodities through short-term and intermediate credit sales programs. These programs are not intended to displace cash sales, but are designed to maintain or expand overseas markets.

The short-term export credit sales program (GSM-5) provides financing, on terms not to exceed three years, for the commercial sales of agricultural commodities from private stocks. Sales are made by U.S. exporters and require an assurance of payment from a U.S. or foreign bank. Repayments are made in U.S. dollars with interest at rates determined by the Corporation. These commercial transactions are financed under the Corporation's charter authority and section 201 of the Agricultural Trade Act of 1978, as amended by the FACT Act.

From the beginning of the short-term export credit sales program in 1956 through September 30, 1993, sales of agricultural commodities have amounted to approximately \$9,649.2 million, with an additional \$681.3 million in capitalized interest resulting from debt rescheduling. There was no program activity in fiscal years 1987 through 1993. Principal repayments from inception through September 30, 1993, were \$9,223.7 million, including \$1.9 million in fiscal year 1993. Amounts outstanding under this program were \$578.6 million as of September 30, 1993, most of which were rescheduled credits.

### Credit Guarantees

In 1980, CCC instituted the Export Credit Guarantee Program (GSM-102) under its charter authority. With this program, for a fee, CCC guarantees payments due U.S. exporters under deferred payment sales contracts (up to 36 months) for defaults due to commercial as well as noncommercial risk. The risk to CCC extends from the date of export to the end of the deferred payment period covered in the export sales contract and covers only that portion of the payments agreed to in the assurance agreement. Operation of this program is based on criteria which will assure that it is used only where it is determined that it will develop new market opportunities and maintain and expand existing world markets for U.S. agricultural commodities. The program encourages U.S. financial institutions to provide financing to those areas where the institutions would be unwilling to provide financing in the absence of the CCC guarantees. Loan commitments incurred in fiscal year 1993 under the GSM-102 program were \$3,882.1 million.

In 1986, the Intermediate Export Credit Guarantee Program (GSM-103) was implemented by CCC under its charter authority as required by the Food Security Act of 1985. The program is similar to the Export Credit Guarantee Program (GSM-102), but provides for CCC guarantees to exporters for commodities sold on credit terms in excess of 3 years but not more than 10 years. The program also provides for adjusting the maximum amount of interest which CCC guarantees to pay under the payment guarantee and permits freight



costs to be covered for breeding animals financed under the GSM-103 program. Loan commitments incurred in fiscal year 1993 under the GSM-103 program were \$238.9 million.

#### Assistance for Emerging Democracies

The FACT Act of 1990 authorizes an additional \$1 billion in credit guarantees to be made available between fiscal year 1991 and fiscal year 1995 for emerging democracies.

The FACT Act also authorizes, for each of the fiscal years 1991 through 1995, a program for promoting agricultural exports to emerging democracies through the sharing of U.S. agricultural expertise. This assistance will be provided through teams consisting of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries. The FACT Act, as amended by the Food, Agriculture, Conservation, and Trade Act Amendments of 1991, mandates the use for this purpose of not more than \$10 million in CCC funds in any fiscal year from 1992 through 1995. Costs for the 1993 program were \$9.8 million.

#### Export Enhancement Program

An export enhancement program was initiated in 1985 under which CCC funds or commodities are made available as bonuses to make U.S. agricultural products competitive in foreign markets. The FACT Act continues the Export Enhancement Program. By law, CCC must make a minimum of \$500 million available in CCC commodities or cash each fiscal year to carry out the program. All sales involving bonus CCC commodities are intended to increase and enhance U.S. agricultural exports above what would have occurred in the absence of the program. Sales must also be targeted to specific markets to challenge competitors who subsidize their exports. This program is also designed to encourage trading partners to negotiate seriously on reform of world agricultural trade.

Bonus payments to exporters may be made in cash, in kind, or through commodity certificates which may be redeemed for CCC-owned commodities. Fiscal year 1993 bonus payments made in CCC commodity certificates totalled \$.8 million. Fiscal year 1993 bonus payments made in cash totalled \$891.4 million.

#### Market Promotion Program (formerly TEA)

The Targeted Export Assistance Program was authorized by the Food Security Act of 1985, and has been succeeded by the Market Promotion Program under the FACT Act of 1990. The program mandates the use of CCC funds or an equivalent value of CCC commodities to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations. A program level of \$147.734 million was established by statute for fiscal year 1993. Cash payments in fiscal year 1993, including payments from prior year programs, totalled \$168.7 million against agreements totalling \$147.734 million. Certificate issuance discontinued in fiscal year 1991 and a cash program was implemented which probably will continue through fiscal year 1999.

### STORAGE ACTIVITIES

The objectives of the Corporation in carrying out its storage program are:

- (1) to help producers finance needed storage facilities on their own farms; and
- (2) to make efficient use of commercial facilities in the storage of CCC-owned commodities.

### Commercial Storage

The Corporation has a Uniform Grain Storage Agreement and a Uniform Rice Storage Agreement through which it makes storage payments to commercial warehousemen storing grain and rice for CCC in country and terminal elevators. The Corporation has contracts with about 3,885 commercial warehousemen in 42 States for the storage of Government-owned and loan grain and rice. The agreements provide for a storage rate covering about 5,170 grain and rice warehouse facilities operating under the agreements. The grain and rice facilities have a total capacity of about 7.9 billion bushels.

The Commodity Credit Corporation uses the offer and acceptance rate system to determine storage and handling rates. Under the offer and acceptance rate system, warehousemen offer rates at which they will store and handle CCC-owned or loan grain and CCC can either reject or accept those rates. However, producers may be charged a lower rate for grain used as collateral for a CCC loan. The rates remain in effect unless superseded at a subsequent annual renewal date of the agreement. Also, the rates may be lowered by warehousemen during the contract year. This same system is used for cotton warehousemen under contract with CCC.

The Corporation also has storage contracts with commercial warehouses for other commodities, principally dairy products. Rates are negotiated with individual warehousemen. Total storage and handling charges in fiscal year 1993 were \$86.7 million. Related transportation costs were \$16.8 million.

In accordance with the Omnibus Budget Reconciliation Act of 1981, user fees are charged for warehouse examination services of all warehouses (except cotton) licensed under the United States Warehouse Act (USWA). With the exception of grain warehousemen located in cooperative agreement states, grain and rice warehouses not licensed under the United States Warehouse Act pay contract fees to CCC. In cooperative agreement states, warehousemen not licensed under the USWA are exempt from paying user or contract fees to CCC. Net costs to CCC for warehouse inspections were \$5.7 million in fiscal year 1993.

### Farm Facility Loans

Under the farm facility loan program, farmers can borrow money from CCC to build and remodel on-farm grain storage facilities. The program has made it possible for more farmers to hold their crops on their own farms. A total of 4.7 billion bushels of storage capacity has been added to on-farm storage since 1949, with 50 percent of this added from 1977 to 1983. \$35 thousand in loans were made in fiscal year 1993, which reflects adjustments of prior year loan activity.

## **SUPPLY AND FOREIGN PURCHASE ACTIVITIES**

The Corporation is authorized to procure agricultural commodities in the U.S. and abroad for U.S. and foreign governmental agencies and entities, pursuant to sections 5(b) and (c) of its charter act, and section 4 of the act of July 16, 1943 (15 U.S.C. 713a-9).

## **ACQUISITION ACTIVITIES**

The Corporation acquires stocks of various farm products as a result of its support activities. Such acquisitions result from purchases from producers and processors as noted earlier, and collateral acquisitions arising from loan operations. The inventory is substantial. Its acquisition-cost value on September 30, 1993, was \$1,375.5 million.

## DISPOSAL

Authorities

The following authorities provide the basis for disposition of inventories:

1. Section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1427).
2. Agricultural Trade Development and Assistance Act of 1954, Public Law 480, as amended (7 U.S.C. 1701-1715, 1721-1726a, 1727-1727e, 1731-1736g-1, 1737).
3. Barter Program, Sec. 204 of the Agricultural Trade Act of 1978, (7 U.S.C. 5624), Sec. 206 of the Agricultural Act of 1956, as amended (7 U.S.C. 1856(a); and Sec. 4(h) of the CCC Charter Act (15 U.S.C. 714b(h)).
4. Grain for Migratory Waterfowl (7 U.S.C. 442-445) and Resident Game Birds (7 U.S.C. 447-449).
5. Disaster Livestock Feed Program (P.L. 86-299 and 88-585) (7 U.S.C. 1427, 1427 note).
6. Donations - Sec. 202 and 416 of the Agricultural Act of 1949, as amended (7 U.S.C. 1446a, 1431); Sec. 210 of the Agricultural Act of 1956 (7 U.S.C. 1859); Sec. 505 of the Agricultural Act of 1958 (7 U.S.C. 1431a); Sec. 202-204 of the Emergency Food Assistance Act of 1983, as amended (P.L. 98-8; 7 U.S.C. 612c note); and Sec. 202, et seq. of the Federal Supplemental Compensation Act of 1982, (P.L. 98-92; 7 U.S.C. 612c note).
7. Sec. 508 of the Rural Development Act of 1972, as amended (7 U.S.C. 2669).
8. Sec. 813 of the Agricultural Act of 1970, as amended (7 U.S.C. 1427a).
9. Exports - Section 5, CCC Charter Act, as amended (15 U.S.C. 714-714p).
10. Section 32 of P.L. 74-320, as amended (7 U.S.C. 612c, 1424).
11. Sec. 203 of the Agricultural Act of 1956 (7 U.S.C. 1853).
12. Sec. 402 of the Mutual Security Act of 1954, as amended (22 U.S.C. 1922).
13. Sec. 110 of the Agricultural Act of 1949, as amended (7 U.S.C. 1445e).
14. Sec. 302 of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1).
15. Emergency Livestock Feed Assistance Programs - Title VI of the Agricultural Act of 1949, as amended (7 U.S.C. 1427 and 1471-1471j).
16. Surplus Agricultural Commodities Disposal - Sec. 423 of the Agricultural Act of 1949, as amended (7 U.S.C. 1433b).



Summary of Dispositions

The Corporation has been able to move substantial quantities of farm commodities into useful channels, both at home and abroad. The value (at acquisition cost) of commodities removed from CCC inventories in fiscal year 1993 was \$2,163.4 million, of which \$141.5 million was for certificate redemptions. Sales proceeds totaled \$1,183.0 million, of which \$119.7 million was for certificates issued.

The following table shows the value of commodities disposed of during fiscal year 1993:

Type of Disposition	Fiscal Year 1993	
	Cost Value	Proceeds
	(thousands of dollars)	
<u>Sales for Dollars:</u>		
Domestic.....	\$479,230 a/	\$394,785 a/
Export.....	56,343	34,783
<u>Public Law 480 (export):</u>		
Title I.....	89,235	91,019 b/
Title II.....	432,097	426,279 b/
Title III.....	183,305	190,902 b/
<u>Donations:</u>		
Domestic.....	292,218	—
Export.....	582,524	—
<u>Transfers to other Government Agencies:</u>		
Domestic.....	39,962	43,055
Export.....	335	181
<u>Inventory Adjustments and Other Recoveries:</u>		
Domestic.....	8,164	2,003
<u>Subtotal:</u>		
Domestic dispositions.....	819,574	439,843
Export dispositions.....	1,343,839	743,164
<b>TOTAL DISPOSITIONS .....</b>	<b>2,163,413</b>	<b>1,183,007</b>

a/ Includes certificate dispositions.

b/ Proceeds represent the value of commodities charged to P.L. 480 and recorded as sales.

Explanation of Dispositions:Domestic Commercial Sales

For unrestricted use - Commodities acquired under support can be sold for unrestricted use domestically only at prices which are not below minimums prescribed by law. There are no similar minimums on sales of nonstorables.

For restricted use - Commodities may be sold for restricted uses or outlets at less than the minimums prescribed by law. These uses would include new or by-product uses, peanuts, and oilseeds sold for extraction of oil, commodities which have substantially deteriorated in quality, or which are in danger of loss, waste, etc.



### Export Commercial Sales

For many years, the Corporation has had authority to sell commodities for export without complying with minimum prices applicable to domestic sales.

## FINANCING

### Borrowing Authority

CCC operations are financed by borrowings from the U.S. Treasury. P.L. 95-279, approved May 15, 1978, increased the statutory borrowing authority to \$25 billion, to the extent provided in appropriation acts. Then, with the fiscal year 1982 supplemental appropriation act, P.L. 97-257, the availability was permanently increased to \$25 billion. The fiscal year 1988 appropriation act, P.L. 100-202, increased the statutory borrowing authority to \$30 billion. The Corporation reserves a sufficient amount of the borrowing authority to purchase at any time all loans and other obligations held by financial institutions, if any, under the Corporation's programs. As of September 30, 1993, the Corporation had in use \$24,745.3 million of the \$30.0 billion authorized. This left a statutory borrowing authority available of \$5,254.7 million as of September 30, 1993. During fiscal year 1993, the Corporation's borrowing from the Treasury totaled \$20,866.4 million and during the same year \$16,159.5 million was repaid to the Treasury from appropriations received and receipts from operations.

The Department of Agriculture and Related Agencies Appropriation Act, 1966, made provision for terminating interest after June 30, 1964, on the portion of the Corporation's borrowing from the Treasury equal to the unreimbursed realized losses recorded on the books of the Corporation after September 30 of the fiscal year in which such losses are realized.

### Reimbursement for Net Realized Losses

During fiscal year 1993, the Corporation received \$9,200.0 million which reimbursed the Corporation for the balance of 1990 losses and part of 1991 losses. As of September 30, 1993, unrestored realized losses were as follows:

<u>Fiscal Year</u>	<u>(Millions)</u>
1991 Losses.....	\$3,020.4
1992 Losses.....	11,675.9
1993 Losses.....	<u>12,454.3</u>
Total Losses.....	27,150.6

Note: The above table reflects revisions which were made to fiscal year 1989 through fiscal year 1992 realized losses subsequent to the completion of last year's Notes. Congress gave CCC authorization in the fiscal year 1994 appropriations act to apply the \$2.9 billion available at the end of fiscal year 1988 from a fiscal year 1988 "Operating Expenses" appropriation to realized losses in subsequent years. CCC applied the \$2.9 billion against losses for fiscal year 1989 and 1990.

These losses are financed by the Corporation's borrowing authority until reimbursed by appropriation.

The fiscal year 1994 appropriation act included \$18,000.0 million which reimbursed the Corporation for 1991 losses of \$3,020.4 million, for 1992 losses of \$11,675.9 million and for

1993 losses of \$3,303.7 million leaving a balance of unrestored 1993 losses of \$9,150.6 million.

### EXPENSES

Expenses for acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an interest have been treated as program expenses. Such expenses include inspection, classing, and grading work performed on a fee basis by Federal employees or Federal or State-licensed inspectors, and work performed on a contract or fee basis by Agricultural Stabilization and Conservation County Committees. Also, expenses of other Federal and private agencies whose services are used in the handling of Corporation property are treated as program expenses. For fiscal year 1991, capital funds of the Corporation were transferred to the appropriation "Salaries and Expenses, Agricultural Stabilization and Conservation Service," as indicated under that appropriation item for operating expenses relating to the Corporation's programs. Beginning in fiscal year 1992, ASCS received a direct appropriation under its "Salaries and Expenses" account for operating expenses relating to the Corporation's programs.

In 1985, ASCS implemented a nationwide network of computer systems to support program delivery functions. All State and county ASCS offices use these systems to support day-to-day program transactions with producers. The systems have dramatically reduced the Agency's dependency upon manually produced and handled forms and reentry of programmatic and financial data in support of program transactions and to meet recurring reporting requirements. In addition, automation of program delivery functions has substantially improved the consistency of program administration among offices and reduced errors associated with interpretation of program policies and procedures. ASCS develops the majority of the software applications used on the automated systems with in-house resources.

The technology acquired in 1985 reached the end of its originally defined system life in 1992. ASCS is in the process of identifying technologies that can be used to extend the system life of this platform until updated technology can be acquired and implemented. The acquisition of information technology will be coordinated under USDA's Info Share Program.

National Wool Act

Appropriations Act, 1994.....	\$179,305,000
Budget Estimate, 1995.....	<u>\$197,952,000</u>
Increase in Appropriation.....	<u>+18,647,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

Item of Change	1994 Estimated (1992 Calendar Year)	Increase or Decrease	1995 Estimated (1993 Calendar Year)
Total duties collected in the applicable calendar year .....	\$440,343,752	\$5,000,248	\$445,344,000
70 percent of duties collected, representing maximum available for reimbursement to CCC .....	308,240,626	+3,500,174	311,740,800
Appropriation or estimate to reimburse CCC .....	179,305,000	+18,647,000	197,952,000

The 1994 appropriation covers reimbursement for fiscal year 1993 expenditures (not otherwise recovered) relating to marketings in the 1992 calendar year. The 1995 appropriation estimate covers fiscal year 1994 estimated expenditures relating to marketings in the 1993 calendar year.

PROJECT STATEMENT

(On basis of appropriation)

Item	1993 Actual	1994 Estimated	Decrease	1995 Estimated
Reimbursement to Commodity Credit Corporation for expenditures under the National Wool Act, available or estimate	\$191,115,000	\$179,305,000	+\$18,647,000(1)	\$197,952,000

## EXPLANATION OF PROGRAM

The wool and mohair payment program administered by the Agricultural Stabilization and Conservation Service is required by the National Wool Act of 1954, as amended. The Act, which has been extended several times, was extended by the Food, Agriculture, Conservation, and Trade Act of 1990 to cover marketings through December 31, 1995.

In addition to the Omnibus Budget Reconciliation Act of 1993 (OBRA-93), the National Wool Act Amendments of 1993 (P.L. 103-130) has drastically affected the wool and mohair programs. P.L. 103-130 effectively repeals the National Wool Act of 1954. The Secretary of Agriculture, beginning January 1, 1996, may not provide loans or payments for wool or mohair by using funds of the Commodity Credit Corporation or under authority of any law. Payments to wool and mohair ranchers will be restricted to 75 percent and 50 percent of the traditionally-calculated sum for the 1994 and 1995 marketing years, respectively. Recourse loans though, will be made available for the 1994 and 1995 marketing years to wool and mohair producers at no net cost to the Federal government. OBRA-93 limits the maximum amount of incentive payments that an individual can receive to \$125,000 and \$100,000 for the 1994 and 1995 marketing years, respectively. Also, the USDA is prohibited from deducting certain marketing charges (coring, grading, and commissions) in determining net sales proceeds and the national payment rates for shorn wool and shorn mohair. Furthermore, OBRA-93 eliminates the marketing assessment for wool and mohair beginning with the 1993 marketing year.

Payments are made on marketings during each calendar year on shorn wool, unshorn lambs (to compensate producers for the wool on lambs) and mohair. The payments are made beginning in April for marketings during the previous year at a rate approximating the difference between the support price and the national average price received by producers.

To encourage producers to do a good job of marketing their wool and to receive the best possible price in the market, a percentage of the actual price received by the producer is used as the payment rate rather than making a uniform flat payment per pound of wool. The higher the market price the producer obtains, the greater the incentive payment he will receive.

Payments, initially financed by CCC, are made to eligible producers through the Agricultural Stabilization and Conservation Service county offices. Total payments under the Act are limited to 70 percent of the accumulated gross receipts from import duties collected on and after January 1, 1953, on wool and wool manufactures.

The Omnibus Budget Reconciliation Act of 1990, as amended by the Omnibus Budget Reconciliation Act of 1993, provided for a marketing assessment for the 1991 and 1992 marketing years for wool and mohair. Wool and mohair producers had their incentive payments reduced by one percent.

The following table shows amounts collected and available for payment (in thousands of dollars).

Item	Fiscal Year 1993 (1992 Marketing Year) Actual	Fiscal Year 1994 (1993 Marketing Year) Estimate	Fiscal Year 1995 (1994 Marketing Year) Estimate
Available for payments,			
70 percent of duties collected:			
Cumulative from January 1, 1953.....	\$5,524,832	\$5,836,573	\$6,151,814
Cumulative payments to producers.....	<u>2,513,876</u>	<u>2,707,276</u>	<u>2,840,976</u>
Balance available, end of year.....	<u>3,010,956</u>	<u>3,129,297</u>	<u>3,310,838</u>



The Act provides that the Corporation will be reimbursed for payments to producers and operating costs from the permanent appropriation. The amounts appropriated for any fiscal year shall not exceed 70 percent of the duties collected during the period January 1 to December 31 preceding the beginning of each such fiscal year.

## JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$18,647,000 in the appropriation to reimburse the Commodity Credit Corporation.

<u>Item of Change</u>	<u>1994 Estimate (Fiscal Year 1993 Expendi- tures)</u>	<u>Increase or Decrease</u>	<u>1995 Estimate (Fiscal Year 1994 Expendi- tures)</u>
Payments to producers:			
Shorn wool.....	\$ 93,131,000	+\$15,369,000 (a)	\$108,500,000
Unshorn lambs.....	22,911,000	+2,489,000 (b)	25,400,000
Mohair.....	<u>60,503,000</u>	<u>-1,003,000 (c)</u>	<u>59,500,000</u>
Total payments.....	176,545,000	+16,855,000	193,400,000
Wool and mohair loans made.....	0	+4,800,000	4,800,000
Wool and mohair loans repaid.....	<u>0</u>	<u>-4,300,000</u>	<u>-4,300,000</u>
Net Lending.....	0	+500,000 (d)	500,000
Interest expenses.....	4,570,000	-518,000 (e)	4,052,000
Assessments.....	<u>-1,810,000</u>	<u>+1,810,000 (f)</u>	<u>0</u>
Total.....	<u>179,305,000</u>	<u>+18,647,000</u>	<u>197,952,000</u>

Need for Change. Commodity Credit Corporation funds are used to operate the wool incentive and mohair support program. The Corporation is reimbursed for the program costs by a permanent appropriation which is limited to 70 percent of all duties collected on wool and wool manufactures during the preceding calendar year. Estimated program costs for fiscal year 1994 are \$197,952,000. Program cost are estimated to increase in fiscal year 1994, due to higher payments because of lower market prices received for wool partially offset by lower payments for mohair. Elimination of the wool and mohair assessments and implementation of a recourse loan program also contributes to the increase.

Nature of Change.

- (a) An increase of \$15,369,000 in shorn wool payments (\$93,131,000 in 1994). This results from a projected decrease in the season average price for shorn wool, from \$0.74 to \$0.55 per pound, increasing the payment rate from \$1.23 to \$1.49 per pound, which is partially offset by lower marketings of shorn wool.
- (b) An increase of \$2,489,000 in payments on unshorn lambs (\$22,911,000 in 1994). This increase is due to a increase in the payment rate for wool as explained above, increasing the payment rate for unshorn lambs from \$4.92 to \$5.96 per hundredweight, which is partially offset by lower marketings of unshorn lambs.

- (c) A decrease of \$1,003,000 in payments on mohair (\$60,503,000 in 1994).  
This decrease is primarily due to a decrease in mohair marketings which is partially offset by a decrease in the season average price from \$.86 to \$.80, resulting in an increase in the payment rate from \$3.753 to \$3.938 per pound.
- (d) An increase of \$500,000 in net lending (\$0 in 1994).  
This increase is due to implementation of a wool and mohair recourse loan program, effective with the 1994 marketing year.
- (e) A decrease of \$518,000 in interest expenses (\$4,570,000 in 1994).  
This decrease is due primarily to a decrease in the interest rate charged the Corporation for Treasury borrowings which is partially offset by an increase in program costs due to higher payments.
- (f) A decrease (no gain) of \$1,810,000 in assessments (\$1,810,000 in 1994). This increase in expenditures is caused by elimination of the the assessment charge to producers (1% of total payments) as required by the Omnibus Budget Reconciliation Act of 1993.

EXPENDITURES AND REIMBURSEMENTS TO CCC  
UNDER THE NATIONAL WOOL ACT

Costs

Expenditures under this program include payments to producers, plus operating and interest costs. The following table shows the basis of the estimates for fiscal years 1993, 1994, and 1995.

Item	Fiscal Year 1993 (1992 Marketing Year) Actual	Fiscal Year 1994 (1993 Marketing Year) Estimated	Fiscal Year 1995 (1994 Marketing Year) Estimated
Volume of Marketings:			
Pounds of shorn wool.....	76,600,000	73,500,000	71,000,000
Hundredweight, unshorn lambs.....	4,800,000	4,400,000	4,200,000
Pounds of mohair.....	15,700,000	15,200,000	15,000,000
Incentive or Support Level:			
Price per lb of wool (cents).....	197.0	204.0	209.0
Price per lb of mohair (cents).....	461.3	473.8	473.9
Percent of parity - wool.....	58.8	58.8	56.6
Percent of parity - mohair.....	50.0	50.0	48.1
Payments under Act - Rates:			
Shorn wool, per lb (cents).....	123.0	149.0	154.0
Unshorn lambs, cwt (cents).....	492.0	596.0	556.0
Mohair, per lb (cents)....	375.3	393.8	464.7
Amount of Payments:			
Shorn wool.....	\$93,131,000	\$108,500,000	\$73,600,000
Unshorn lambs.....	22,911,000	25,400,000	17,300,000
Mohair.....	60,503,000	59,500,000	42,800,000
Total payments.....	176,545,000	193,400,000	133,700,000
Recourse loan activity:			
Wool and mohair loans made.....	---	4,800,000	5,600,000
Wool and mohair loans repaid.....	---	-4,300,000	-5,800,000
Net Lending.....	---	500,000	-200,000
Marketing Assessments:			
Wool.....	-1,169,000	---	---
Mohair.....	-641,000	---	---
Interest Expense.....	4,570,000	4,052,000	3,917,000
Current year expenditures..	179,305,000	197,952,000	137,417,000
Unrecovered balance, prior years.....	191,115,000	179,305,000	197,952,000
Total cumulative unrecovered balance....	370,420,000	377,257,000	335,369,000
Reimbursement to CCC (70 percent of preceding calendar year duty collections) a/.....	-191,115,000	-179,305,000	-197,952,000
Unrecovered balance, end of year.....	179,305,000	197,952,000	137,417,000

a/ Reimbursement limited to actual expenditures of preceding fiscal year and prior fiscal year amounts not previously reimbursed.



## NATIONAL WOOL ACT

## STATUS OF PROGRAM

The 1990 FACT Act extends provisions of the National Wool Act of 1954 (the 1954 Act), as amended, under which support of prices of wool and mohair is mandatory. The Corporation makes payments to producers in order to bring the national average price received by all producers up to the support price required under the Act.

Funds of the Corporation are used to carry out this program. Section 705 of the 1954 Act provides that the Corporation be reimbursed for any expenditures made in connection with payments to producers, but the amount of reimbursement in any fiscal year cannot exceed 70 percent of the gross receipts from all import duties collected on wool and wool manufacturers from January 1 through December 31 preceding the beginning of each fiscal year.

Price Support and Payment Limitations

For the first time, wool and mohair price support payments are subject to a payment limitation. The maximum payment a person may receive from the wool and mohair programs is limited separately for wool and mohair in marketing year 1991 at \$200,000 with a reduction of \$25,000 in each subsequent marketing year through 1995.

Costs

Costs incurred under the wool program include payments and operating and interest costs. The cost of the wool program in fiscal year 1993 was \$179.3 million which included \$116.0 million in payments on 1992 wool marketings, \$60.5 million in payments on 1992 mohair marketings, and \$4.6 million in interest costs, partly offset by \$1.8 million in marketing assessments on wool and mohair. For fiscal years 1992 through 1995, certain administrative costs of operating the program were and will not be charged to National Wool Act program costs. Rather, such costs were and will be financed from the direct appropriation made to the consolidated ASCS Salaries and Expenses Account, since CCC Transfers were not authorized in the 1992, 1993 and 1994 Appropriations Acts.

The following table shows the historical cost data for the wool program:

COST OF WOOL PROGRAMS FINANCED BY CCC

Year	National Wool Act Payment Program (Fiscal year)	Gross Receipts from Duties Collected on Wool and Wool Manufacturers (Calendar Year)	70% of Duties Collected on Wool and Manufacturers Available for Payments (Calendar Year)
1953	—	\$75,768,963	\$53,038,274
1954	—	56,635,765	39,645,036
1955	\$187,684	69,930,183	48,951,128
1956	2,020,975	74,694,145	52,285,902
1957	61,292,352	67,233,972	47,063,780
1958	57,182,448	71,500,447	50,050,313
1959	20,025,827	95,985,584	67,189,909
1960	92,653,681	107,539,419	75,277,593
1961	60,886,811	98,806,944	69,164,861
1962	65,347,054	128,827,847	90,179,493
1963	63,164,602	132,071,019	92,449,713
1964	73,203,933	113,323,654	79,326,558
1965	22,577,216	173,538,080	121,476,656
1966	38,260,163	158,357,675	110,850,372
1967	34,792,675	138,500,000	96,950,000
1968	72,451,002	168,000,000	117,600,000
1969	67,892,514	152,866,000	107,006,200
1970	56,272,766	133,489,000	93,442,300
1971	75,430,447	95,281,000	66,696,700
1972	116,545,406	84,005,000	58,803,500
1973	74,000,154	92,025,000	64,417,500
1974	7,735,468	83,738,000	58,616,600
1975	18,888,000	82,993,000	58,095,100
1976	47,275,000 1/	131,240,000	91,868,000
1977	10,428,000	178,155,000	124,708,500
1978	33,038,000	205,181,000	143,626,700
1979	39,421,000	195,155,500	136,608,850
1980	34,520,000	222,832,313	155,982,619
1981	42,078,000	247,895,236	173,526,665
1982	53,855,000	240,636,200	168,445,340
1983	93,575,000	269,704,917	188,793,442
1984	131,959,000	402,269,431	281,588,602
1985	109,365,000	411,386,171	287,970,320
1986	122,689,000	427,121,077	298,984,754
1987	152,130,000	417,255,211	292,078,648
1988	4,527,000 2/	435,621,668	304,935,168
1989	93,485,000	417,764,882	292,435,417
1990	104,407,000	395,683,738	276,978,617
1991	172,240,000	399,259,304	279,481,513
1992	191,115,000	440,343,752	308,240,626
1993	179,305,000	445,300,000 3/	311,710,000 3/
TOTAL	2,696,223,178	8,337,916,097	5,836,541,269

1/ Includes costs of \$1,815,000 for the transition quarter.

2/ Fiscal year 1988 outlays of \$130,635,000 include the advance appropriation of \$126,108,000 as a credit, which was recorded as a wool program receipt by Treasury.

3/ Estimates.

NOTE: Excludes \$116 million in CCC losses on commodity loan and inventory operations prior to National Wool Act.

### Promotion Activities

The 1990 FACT Act extends the 1954 National Wool Act provision that advertising and sales promotion programs may be conducted for wool and mohair. Programs of advertising and sales promotion for wool, lamb, and mohair are carried out by approved organizations established by growers for this purpose. Activities are designed to improve demand for products in the free market. Advertising and sales promotion programs may be conducted outside of the United States for the purpose of maintaining and expanding foreign markets and uses for wool, mohair, sheep, or goats or the products thereof produced in the United States. The 1990 Act amends the National Wool Act of 1954 to change the referendum approval from two-thirds to a majority of producers or a majority of production. A non-refundable deduction of 1 percent will be made from the amount of payment each marketing year through 1995 for marketing assessments in accordance with the Omnibus Budget Reconciliation Act of 1990.

A "self-help" program for advertising, promotion, and related market development activities is authorized, if approved by producers, by Section 708 of the National Wool Act of 1954. These promotion activities are financed from CCC producer payments and do not increase CCC outlays. In a referendum held August 19 through August 30, 1991, wool producers approved an agreement (70.4 percent of producers, owning 74.6 percent of the sheep) to continue deductions from Commodity Credit Corporation wool incentive payments to finance the promotion of wool. The agreement authorizes continued deductions from payments made under the National Wool Act on wool and unshorn lambs marketed during 1991 through 1995. The new agreement authorizes deductions of up to 7 cents per pound on shorn wool and 35 cents per hundredweight on unshorn lambs. When wool and lamb payments are computed, these deductions are withheld and forwarded to the American Sheep Industry Association to finance advertising and sales promotion programs.

Mohair producers voted in a referendum held June 17 through 28, 1991, and approved an agreement (86.8 percent of the producers) authorizing deductions from Commodity Credit Corporation mohair incentive payments to finance domestic and foreign advertising, and sales promotion programs of mohair. The agreement authorizes deductions from payments made under the National Wool Act on mohair marketed during 1991 through 1995. The agreement authorizes deductions of up to 4-1/2 cents per pound on mohair which are withheld from mohair payments and forwarded to the Mohair Council of America.

THURSDAY, APRIL 14, 1994.

## PACKERS AND STOCKYARDS ADMINISTRATION

### WITNESSES

CALVIN W. WATKINS, ACTING ADMINISTRATOR, PACKERS AND STOCKYARDS ADMINISTRATION

GERALD D. GRINNELL, DIRECTOR, INDUSTRY ANALYSIS STAFF, PACKERS AND STOCKYARDS ADMINISTRATION

HAROLD W. DAVIS, ACTING DEPUTY ADMINISTRATOR, PACKERS AND STOCKYARDS ADMINISTRATION

STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

### OPENING REMARKS

Mr. DURBIN. I want to thank these agencies for joining us today. We are holding hearings on your budget requests and policy changes in an expedited approach by having you all appear before the subcommittee together. This is not to say that we will not be looking very carefully at each request and will possibly be back in touch with you as things progress here.

I am happy to welcome to the subcommittee Bruce Greenshields from the Economic Research Service; Donald Bay from the National Agricultural Statistics Service; Gerald Bange from the World Ag Outlook Board; Kenneth Shipman from the Federal Grain Inspection Service; Calvin Watkins from the Packers and Stockyards Administration; and our old friend Steve Dewhurst.

Your statements will be incorporated into the permanent record. I have some questions of each of you which I would like to pose at this point.

### LICENSE FEES

Mr. DURBIN. Let's start with the Packers and Stockyards Administration. Mr. Watkins, there is a proposal in your budget for a licensing fee. Is that correct?

Mr. WATKINS. That is correct.

Mr. DURBIN. Could you tell us how you would establish this fee and how you would monitor it to assure competition?

Mr. WATKINS. We are proposing a licensing fee to fund the program of the Packers and Stockyards Administration for 1995, and that would cover a fee for all those who are subject to the Packers and Stockyards Act, which would include packers, dealers, and market agencies. It would also include meat processors and live poultry dealers.

We would establish a fee. Currently we are looking at establishing a flat fee for a license to operate under the Packers and Stockyards Act. In addition to that, we would also look at charging an



additional fee if they had more than one location, a branch so to speak.

In our proposal for the 1995 appropriations, under current law, we are requesting full appropriations but by implementing a licensing fee, we would retain something like about \$3.6 million for start-up costs and then in 1995 look toward—once we got the enabling legislation, to collect fees to cover the balance.

#### LICENSE FEE STRUCTURE

Mr. DURBIN. Isn't it true that seventy-five percent of the packing is owned by four companies.

Mr. WATKINS. Yes, sir.

Mr. DURBIN. And yet some of the people that you are working with are very small live poultry dealers and the like. Would you suggest a waiver for small business or some different treatment when it comes to these fees?

Mr. WATKINS. We have not at this point considered a waiver. One of the concepts that we are also looking into insofar as a basic fee structure would be based upon volume of business which would perhaps give some relief in that regard. We have not come to a decision yet as to which way we might go but we are also looking at that concept as well as a flat fee.

Tentatively, what we are looking at is where you have a small firm, one location, we are looking at a fee of somewhere between \$500 and \$600 a year.

#### MEAT PACKER CONCENTRATION STUDY

Mr. DURBIN. Well, we will be working with the authorizing committee to see how that comes about.

A lot of things have changed on this subcommittee since I came, but one thing seems to be the same and that is we are still waiting for the concentration of ownership study from your agency.

Mr. WATKINS. That is correct.

Mr. DURBIN. What is the update? Give us this year's explanation of when this study is likely to be finished. It has been going on—how many years, three or four?

Mr. WATKINS. No, it has been going on—we got the appropriations in 1992 and so it has not—

Mr. DURBIN. So it is not as bad as I thought.

Mr. WATKINS. No. It is not. And I would like for you to take note of that. It is not as bad as you might think. But we have had some unexpected delays which have been the result of some concern on the part of the packing industry about the confidentiality of the data, which we are requiring them to furnish us for this study.

I think they have had some concern. We have made every effort to satisfy that concern through requiring secure facilities by the researchers.

Mr. DURBIN. You also issued some subpoenas.

Mr. WATKINS. We also had to issue some subpoenas to get the records that we needed for the data. That did take some time. In fact, we were challenged in court on the enforcement of those subpoenas and after resolving the legal issue, we were able to go back and get the transactions data that we needed. So that has delayed us somewhat.

We have also found that records by meat packers are not consistent. They are not all uniform. And so in reviewing the data that we are collecting for transactions data, we are having to spend some time reviewing that data to make sure that what our researchers are looking at, if they are looking at apples, apples is what they are looking at rather than apples and oranges. So that has taken some time.

We expect at the present time to—actually, we are completing the collection of the transaction data now and we are looking at getting the data out to the researchers in the next couple of months and we are expecting them to deliver back to us at least on three of the projects in the next 12 months. Actually included in this study is about six projects.

We are looking at the summer of 1995 at the present time for completion.

Mr. DURBIN. Summer of 1995.

Mr. WATKINS. Yes, sir.

Mr. DURBIN. Okay.

Mr. WATKINS. And we would hope to have that wrapped up.

Mr. DURBIN. So when I see you next year, if I am here and you are here—

Mr. WATKINS. Well, I hope to be here.

Mr. DURBIN. So do I. [Laughter.]

Mr. WATKINS. Let us say our present plans are the summer of 1995. And we will certainly keep the committee and staff apprised of any other delays that we have.

Mr. DURBIN. All right. Mr. Skeen?

Mr. SKEEN. Thank you, Mr. Chairman.

One question I have looking over the roster here, there are a lot of acting positions. When are we going to get permanent Administrators? What is the hold-up? Are you going to let Steve answer this?

Mr. DEWHURST. I think the reason you see so many actings is because they are waiting for the results of the reorganization.

Mr. SKEEN. On the reorganization?

Mr. DEWHURST. A lot of these agencies change in various ways in the reorganization, and the Secretary is just waiting—

Mr. SKEEN. So they do not want to cement any positions until you get the format done?

Mr. DEWHURST. Yes.

Mr. SKEEN. Is that what the hold-up is?

Mr. DEWHURST. Yes.

Mr. SKEEN. Regarding packers and stockyards, we are getting a lot of feed-back on the user fees so far. Are you seeking to collect these for the FY 1995 budget?

Mr. WATKINS. That is correct.

Mr. SKEEN. How much are we talking about? What is your estimate?

Mr. WATKINS. Well, our budget request is \$11.9 million and we would be seeking to collect about \$8.5 million.

Mr. SKEEN. Eight point five?

Mr. WATKINS. Yes, sir.

Mr. SKEEN. Are you going to need authorizing legislation?



Mr. WATKINS. We are going to have to have authorizing legislation in order to do that.

Mr. SKEEN. Before you can do that.

Mr. WATKINS. Yes, sir.

Mr. SKEEN. I appreciate you all being here and I appreciate your responses.

[CLERK'S NOTE.—Biographical sketches for the Acting Director and Division Director appear on pages 589 through 590. Mr. Watkins' statement appears on pages 591 through 604. The Explanatory Notes appear on pages 605 through 619.]

[Additional Questions and Responses follow:]

#### LICENSE/USER FEES

Mr. DURBIN. Your budget proposal includes submitting language to authorize the collection of over \$8 million in new user fees to cover all of the costs related to administering the Packers and Stockyards Act. Who are the beneficiaries?

RESPONSE. Primary beneficiaries of the programs and activities of the Packers and Stockyards Administration are livestock producers and poultry growers. In addition, other poultry operations, such as egg producers which sell spent fowl, are primary beneficiaries. In many instances, firms who are subject to regulation under the provisions of the Packers and Stockyards Act are also beneficiaries because of their relationship with other subject firms. Consumers also benefit because they are protected from the adverse effects on meat and poultry distribution and prices caused by anticompetitive and unfair business practices. State governments are beneficiaries through certification of their central filing systems and information and services exchanged under cooperative working agreements. The Agency also cooperates with and provides assistance to numerous State and Federal law enforcement agencies.

Mr. DURBIN. How will you ensure that all beneficiaries are charged and reduce the number of free riders? Will this increase the operating costs for farmers and producers? Will this increase cost for consumers? Is the industry supportive of these user fees?

RESPONSE. The draft legislation being submitted proposes a licensing fee for all entities operating subject to the provisions of the Packers and Stockyards Act—P&S Act. The P&S Act identifies all groups and classes of businesses subject to regulation under the Act and the Agency currently has sufficient data to identify most individuals and firms within each group or class. While the proposed licensing fee legislation will not impose a direct cost on farmers, producers or consumers, some of the costs may be passed on in the form of lower prices to producers and/or higher prices to consumers. Neither the production nor marketing sides of the industry are likely to be supportive of the proposed licensing fees.

Mr. DURBIN. For the record, please describe how these fees will be determined, the amount, and the range of fees.

RESPONSE. We are currently exploring two concepts for structuring a fee schedule. The first is based on a basic licensing fee with additional fees for each branch and for each type of operation with minimum and maximum fees. The minimum annual fee will likely be about \$500 to \$600 and the maximum will likely be between \$5,000 and \$7,500. The second concept would be based on the volume of livestock marketed or product handled with similar minimum and maximum fees.

Mr. DURBIN. When will the fee structure you have proposed have to be enacted into law for you to carry out this program? What is your time schedule for getting this fully implemented?

RESPONSE. Six months will be needed to promulgate the necessary implementing regulations and begin collecting license fees. Another six months will be needed to have the program fully implemented.

Mr. DURBIN. Would you please provide for the record a sub-object class table for activities related to the proposed legislation to collect user fees?

RESPONSE. Annual costs for administering a license fee program have not been finalized at this time. As this information becomes available, we will keep you updated.

#### POULTRY PRODUCERS FINANCIAL PROTECTION ACT

Mr. DURBIN. In the past, we heard testimony that you do not have enough manpower to fully implement the Poultry Producers Financial Protection Act. What is

the status of total implementation of the Act? What resources do you expend on that activity now, and will user fees cover the costs to fully implement the Act?

RESPONSE. The Poultry Producers Financial Protection Act amended the Packers and Stockyards Act to provide payment protection to poultry producers by requiring prompt payment and creating a statutory trust for protection of poultry sellers in the event of non-payment. The Agency is responding promptly to poultry growers' complaints of slow pay or non-payment and is taking all necessary actions to administer the poultry trust provisions. To this extent, these provisions have been fully implemented, and the Agency projects it will spend \$131,000 on poultry payment investigations in fiscal year 1994. Compliance and surveillance activities of live poultry dealers subject to the prompt payment and trust provisions are maintained through review of annual reports and periodic contract compliance investigations. Budget constraints continue to limit the number of field investigations conducted in this area. If license fees are assessed as the primary budget source for enforcement of the P&S Act, it is anticipated that the current level of poultry payment investigations will be fully funded.

#### REORGANIZATION

Mr. DURBIN. Under the Secretary's proposed reorganization, the Packers and Stockyards Administration would be merged with the Federal Grain Inspection Service to form a new Grain Inspection, Packers and Stockyards Administration. What impact will this merger have on your operations?

RESPONSE. Merging the activities of the Federal Grain Inspection Service and the Packers and Stockyards Administration will not be detrimental to program delivery because the program activities of each will be administered by separate Deputy Administrators under current plans for implementing the reorganization. The proposed consolidation will produce savings in overhead costs while keeping the focus of each organization on its current mission.

Mr. DURBIN. What are the projected net savings in administrative expenses that will occur with this merger, including both dollars and staff-years?

RESPONSE. Merging the activities of the Federal Grain Inspection Service and the Packers and Stockyards Administration into a single agency is expected to eliminate a senior level executive position and staff years associated with the consolidation of administrative functions in the Marketing and Inspection Services area.

#### DEALER FAILURES

Mr. DURBIN. Over the last three years, dealer failures represented a significant amount of unrecovered losses in the livestock marketing chain. I see that you are proposing legislation to amend the Packers and Stockyards Act to provide for a statutory dealer trust. Please describe for us how dealer trusts work. How will this reduce risk for dealers?

RESPONSE. The proposed dealer trust would require livestock inventories and accounts receivable due from the sale of livestock to be held in trust, by the dealer, for unpaid cash sellers when a dealer fails to pay for livestock. In that dealers buy livestock for speculative resale, this proposed trust would have no impact on the risk for dealers. It would significantly reduce the risk to those persons that sell their livestock to dealers—the intended beneficiaries.

#### DEALER TRUST

Mr. DURBIN. Your budget request shows \$179,000 for the proposed dealer trust. Are these start-up costs and will user fees cover this in the future?

RESPONSE. The \$179,000 requested for the proposed dealer trust is the projected additional cost for administering a dealer trust. These will be recurring costs which the Agency would expect to recover from the proposed license fees.

Mr. DURBIN. Would you please provide for the record a sub-object class table for activities related to the proposed legislation to implement dealer trust?

RESPONSE. I will provide that information for the record.

[The information follows:]

#### FY 1995 estimate

	Amount
11 Personnel compensation .....	\$150,000
12 Personnel benefits .....	15,000
Total personnel compensation and benefits .....	165,000



Other objects:	Amount
21 Travel .....	14,000
Total, obligations .....	179,000

## MEAT PACKER CONCENTRATION

Mr. DURBIN. Please provide a table that shows the four-firm concentration ratio for steer and heifer slaughter, boxed beef, sheep and lamb slaughter, and hog slaughter. Please provide a five-year basis starting with 1993 for each of these areas.

RESPONSE. The following table show the four-firm concentration ratios for the years 1988-92. Data for 1993 are not available.

(In percent)

Year	Steers and heifers	Boxed beef	Cows and bulls	Hogs	Sheep and lambs
1988 .....	70	79	18	34	77
1989 .....	70	79	18	34	74
1990 .....	72	79	20	40	70
1991 <sup>1</sup> .....	73	NA	23	42	77
1992 <sup>1</sup> .....	78	NA	24	44	78

<sup>1</sup> Preliminary.

NA denotes not available.

Mr. DURBIN. Concentration ratios in the meat packing industry continue to rise. As you know, the four largest firms slaughter over 70 percent of the total commercial slaughter of steers and heifers. We are anxiously awaiting the results of the meat packer concentration study. Last year, I asked you to provide a plan to expedite the completion of the study. I know you in fact moved the schedule ahead. Give us a status report.

RESPONSE. Work on the study has proceeded as quickly as possible consistent with technical requirements for sound research. We encountered several obstacles which affected our plans and timeline. We have encountered packer resistance to providing data and it has taken longer than anticipated to identify specific data needs of contractors and to review and edit data as supplied by the industry.

During 1993, we determined specific data needs, developed survey procedures and questionnaires, developed data security plans for our contractors, obtained OMB approvals, and began collecting data. Three types of data need to be collected: detailed information on cattle procurement by beef packers; detailed operating costs and revenue of beef packers; and surveys (conducted by contractors) to learn why feedlots, packers, hog producers and feed companies enter into certain types of production or sales contracts.

Collection of procurement data began in June 1993, but was stopped in July when several leading packers refused to provide data. Subpoenas were issued. One packer challenged the subpoena in court. The legal issues have been resolved and we expect to complete collection of these data about April 1, 1994. The data will be reviewed and provided to contractors by July 1.

Contractors have begun conducting their surveys, and will analyze them this summer. We are making final preparations to collect the cost and revenue data from beef packers. Barring delays by packers, we plan to finish collecting and reviewing these data this fall.

Three of seven contractors will complete their reports this year. Three more will be completed by July 1, 1995, and the final one is expected during the fall of 1995. We plan to complete a final report on six of the projects during the summer of 1995. A report on the final project, which uses cost and revenue data, is planned for the end of 1995.

Mr. DURBIN. You stated that six contracts have been awarded. What entities received the contracts and how much went to each? Can you give us a synopsis of the in from each contract and tell us what you have spent so far?

RESPONSE. Six contracts were awarded to university researchers and one project is being completed by the Economic Research Service in USDA. The projects and contractors are:

1. Define regional cattle procurement markets (Oklahoma State University, with subcontractors at Kansas State University and Iowa State University—\$109,980). The contractor will use information P&SA is obtaining from packers' procurement records to define relevant procurement markets for slaughter cattle. The contractor's

draft final report is due July 1, 1995. The contractor has been paid \$50,061.68 thus far for projects 1 and 4 together.

2. Determine the effects of concentration on prices paid for slaughter cattle (Virginia Polytechnic Institute and State University—\$65,095). The contractor will use information P&SA is obtaining from packers' procurement, cost and revenue records. The contractor's final report is due in the fall of 1995. The contractor has been paid \$24,758.39.

3. Analyze price determination in procurement of slaughter cattle (Texas A&M Research Foundation—\$109,555). The contractor will conduct mail surveys of feedlots and beef packers and use information P&SA is obtaining from packers' procurement records. The contractor's final report is due July 1, 1995. The contractor has been paid \$32,823.56.

4. Examine the role of captive supplies in beef packing (Oklahoma State University, with a subcontractor at Kansas State University—\$93,612). Captive supplies refer to cattle that packer own or contract to purchase before the animals are ready for slaughter. The contractor will conduct mail surveys of leading packers and feedlots and use information P&SA is obtaining from packers' procurement records. The contractor's report is due July 1, 1995.

5. Determine the extent and competitive implications of vertical coordination in hog production (Hayenga, Rhodes, Grimes and Lawrence, Partnership—\$29,900). The contractor will conduct telephone interviews of leading packers, large hog producers and feed companies to determine the extent of vertical coordination arrangements, the prospects for additional use of such agreements and the implications on competition in pork packing. The contractor's report is due November 30, 1994. The contractor has been paid \$2,500.

6. Review of research literature on competition in meat packing (University of Nebraska, Lincoln—\$83,719). The project entails a thorough, critical review and summarization of all relevant research literature on competition in the meatpacking industry. The contractor's report is due September 28, 1994. The contractor has been paid \$26,733.45.

7. Hog procurement in the eastern Corn Belt (Economic Research Service, USDA—\$127,000). ERS is examining procurement patterns and prices paid by packers in the eastern Corn Belt. A draft report was completed in 1993. The final report will be completed this summer. ERS has been paid for this work.

The total cost of the six contracts is \$491,861, of which \$136,877 has been paid. In addition, the Economic Research Service has been paid \$127,000 bringing the commitments to \$618,861.

#### AUCTION MARKET FAILURES

Mr. DURBIN. For the record, please update the table that appears on page 551 of last year's hearing record showing the number of auction market failures, the amount owed for livestock each year, and the amount recovered from bonds and other sources during each year.

RESPONSE. A table will be provided for the record.

[The information follows:]

#### AUCTION MARKET FAILURES

Fiscal year	No. auction market failures	Total owed consignors	Recovery from bonds	Recovery from other sources	Percent total recovery
1988 .....	6	\$275,702	\$233,373	\$5,089	86
1989 .....	5	240,992	118,511	82,341	83
1990 .....	5	820,664	239,748	135,228	46
1991 .....	3	200,958	168,561	30,758	99
1992 .....	11	567,927	457,367	55,528	90
1993 .....	4	123,191	<sup>1</sup> 118,651	1,330	97

<sup>1</sup> Includes \$40,000 in bond proceeds not yet paid to claimants by surety or trustee.

#### CAPTIVE SUPPLY

Mr. DURBIN. What percentage of the livestock that is slaughtered annually comes from captive supplies and/or forward contracts?

RESPONSE. Each year, the Packers and Stockyards Administration obtains a special report from the 15 largest steer and heifer slaughterers to determine what percentage of their slaughter needs are met using cattle the packers fed, and cattle the packers acquired through forward contracts and marketing agreements. These pack-

ers account for most captive supplies in steer and heifer slaughtering. The following table summarizes these firms' use of captive supplies since 1988.

### STEER AND HEIFER SLAUGHTER

Year	Commercial slaughter		Fifteen leading firms' captive supplies (percent of total commercial slaughter)	
	Total (mil. head)	15 leading firms (percent of total)	Forward contracts	Total <sup>1</sup>
1988 .....	28.1	84	8.5	16.0
1989 .....	26.2	90	9.9	20.2
1990 .....	26.7	87	7.1	16.5
1991 .....	26.5	90	4.5	15.5
1992 .....	26.3	92	7.2	17.9

<sup>1</sup> Includes packer-fed cattle and cattle acquired through forward contracts and marketing agreements.

The Packers and Stockyards Administration also obtains information about packer feeding of calves, hogs, and sheep and lambs from annual reports filed by packers. The following table summarizes data for 1986-90. The 1990 data are the latest available. The Agency does not have data available on forward contracts or marketing agreements concerning calves, hogs, or sheep and lambs.

### PACKER-FED ANIMALS AS A PERCENTAGE OF TOTAL PURCHASES

Year	Calves	Hogs	Sheep and lambs
1986 .....	2.7	0.0	28.2
1987 .....	4.2	0.1	27.6
1988 .....	7.5	0.1	30.1
1989 .....	8.9	0.0	27.9
1990 .....	6.7	0.0	32.5

### SLAUGHTERING AND PROCESSING PACKERS

Mr. DURBIN. Would you please provide for the record a 10-year table showing the number of slaughtering and processing packers subject to the Packers and Stockyards Act. Please divide the packers according to bonded slaughtering packers, non-bonded slaughtering packers, and processing packers.

RESPONSE. I will provide that information for the record.

[The table follows:]

### SLAUGHTERS AND PROCESSORS SUBJECT TO THE P&S ACT <sup>1</sup>

Year	Bonded slaughtering firms <sup>2</sup>	Non-bonded slaughtering plants <sup>3</sup>	Processing-only plants <sup>4</sup>
1984 .....	797	958	4,847
1985 .....	747	931	4,754
1986 .....	691	892	4,807
1987 .....	634	849	4,743
1988 .....	638	807	4,645
1989 .....	619	801	4,512
1990 .....	574	721	4,402
1991 .....	585	683	4,415
1992 .....	561	626	4,352
1993 .....	509	606	4,355

<sup>1</sup> Data are not available on the number of non-federally inspected, non-bonded slaughtering plants and processing-only plants subject to the P&S Act.

<sup>2</sup> Includes firms operating federally-inspected (FI) and non-federally-inspected (NFI) plants. P&SA requires firms with purchases of \$500,000 or more to be bonded and file annual reports with P&SA. Some firms with smaller volumes of purchases also are bonded and are included in this column.

<sup>3</sup> This column is an estimate of the number of non-bonded slaughter firms (operating FI plants) subject to P&SA regulation that are not required to be bonded because they purchase less than \$500,000 of livestock per year. Includes slaughtering plants that also do processing. Excludes NFI plants.

<sup>4</sup> Plants conducting processing-only operations are not required to be bonded. Excludes NFI plants.

### CARE AND HANDLING OF LIVESTOCK

Mr. DURBIN. In last year's hearing, it was stated that you planned to review all stockyards to see if there was a problem with the handling of animals. What was



the result of this investigation? Do you plan to review all stockyards annually? Are these reviews unannounced?

RESPONSE. P&SA implemented a program in May 1991 to review all stockyards to determine whether their services, facilities, and handling procedures were adequate to provide prompt and reasonable care to minimize the risk of injury, death, or other avoidable loss to livestock. A final report on the review will be completed by the end of March 1994. Reviews were completed at 1,415 stockyards with most of the reviews being conducted on an unannounced basis. The reviews disclosed that a large percentage of the stockyards provided reasonable care and diligence to prevent unnecessary stress or injury to livestock. However, problems were disclosed at some stockyards. Certified letters were sent to 52 stockyards concerning their inadequate facilities or questionable handling practices. P&SA does not plan to review all stockyards on an annual basis. Follow-up investigations are being made at all stockyards where problems were disclosed, and facilities and handling reviews are being made a part of the Agency's ongoing investigative activities at stockyards.

Mr. DURBIN. Would you please submit for the record the number of FTEs involved and how much you are spending on these activities?

RESPONSE. The Agency's estimated cost and FTEs for all investigations and reviews involving the care and handling of livestock during FY 93 was 10 staff years and \$600,000, and for FY 94, 5.2 staff years and \$312,000.

#### CUSTODIAL ACCOUNTS

Mr. DURBIN. Please provide for the record a table that shows the number of compliance audits conducted on custodial accounts, the number of markets with shortages, and total dollars involved for the past three fiscal years. Please also indicate the number of markets and the amount restored for each fiscal year.

RESPONSE. A table will be provided for the record.

[The table follows:]

#### CUSTODIAL ACCOUNT COMPLIANCE AUDITS

Fiscal year	No. of audits	No. of markets with shortages	Total amount of shortages	Amount restored
1991 .....	464	159	\$4,874,557	\$3,874,686
1992 .....	536	182	5,584,620	4,615,384
1993 .....	555	199	7,207,073	3,767,759

#### AGENCY RESOURCES

Mr. DURBIN. For the record, please provide a table showing the amount of funds for the past three fiscal years spent on payment protection, livestock marketing, competition and conflicts-of-interest, meat marketing, scales and weighing, drug residues, and poultry.

RESPONSE. I will provide the requested information for the record.

[The information follows:]

[In thousands of dollars]

	Fiscal year		
	1992	1993	1994
Payment protection .....	3,024	3,087	2,750
Livestock marketing .....	658	1,369	1,055
Competition .....	872	427	600
Conflict-of-interest .....	224	260	245
Meat marketing .....	413	335	366
Scales and weighing .....	652	685	501
Drug residues .....	4	4	4
Poultry .....	1,347	1,560	700

<sup>1</sup> These amounts were erroneously reported for the 1994 appropriations as 120 and 99, respectively.

#### CONTRACT WORK

Mr. DURBIN. Do you contract out any work? If so, please describe the type of work you contract out, and the cost of contracting out versus doing the work in-house. This includes such things as janitorial services and consulting work.

RESPONSE. In developing the Agency's wide-area network for information resource management, we have utilized outside contractor help in three primary areas. The



first area was installing local area network cabling in our Washington office and in the 12 regional offices. This cable installation was a one-time operation and we did not have the in-house expertise to do the installation.

The second area was a contract for technical consulting on the Banyan Network Operating system. This contract was an "on demand/not to exceed" basis and was used to solve technical problems during the in-house design and implementation of the Packers and Stockyards wide-area network. Again, this expertise did not exist within the Agency, so outside contracting was used.

The final contract area is a current project to redesign our registrant data base system. A contract programmer/systems analyst is being used as part of the programming team for this project. The contract cost for the programmer is \$72 per hour where in-house help would typically cost \$30 to \$35 per hour. This contract is for approximately 7 months and is necessary to meet an immediate short-term need for high-level expertise.

In fiscal year 1992, Congress appropriated \$500,000 to the Agency to study concentration in the red meat industry and required at least half of this be used to contract with universities. Six contracts totaling \$491,861 were awarded to universities.

Janitorial services for our offices in Bedford, Virginia, and Lancaster, Pennsylvania, are contracted out. The Agency has an agreement with USDA's Animal and Plant Health Inspection Service for administrative support activities.

Mr. DURBIN. Please provide a table showing the amount of work that has been contracted out for the last five years, including estimates for fiscal years 1994 and 1995.

RESPONSE. I will provide that information for the record.

[The information follows:]

Fiscal year:	Contract amount paid <sup>1</sup>
1989 .....	\$354,000
1990 .....	329,000
1991 .....	419,000
1992 .....	971,000
1993 .....	377,000
1994 estimated .....	373,000
1995 estimated .....	287,000

<sup>1</sup>Includes amounts paid to another USDA agency for consolidated administrative support services.

#### BUDGET REQUEST

Mr. DURBIN. What was your budget request to the Secretary, what was the Secretary's request to OMB, and what was OMB's allowance?

RESPONSE. The budget request to the Secretary for fiscal year 1995 was in the amount of \$12,448,000 appropriated funds. Included in this request was an additional \$250,000 and 4-staff years to implement proposed Dealer Trust Legislation.

The Secretary's request to OMB was in the amount of \$12,210,000 in program level, including \$179,000 for proposed Dealer Trust Legislation. This request included authority to collect license fees with \$3,552,000 appropriated funds to provide for a 3-month reserve and start-up cost for converting to license fees.

OMB's allowance was \$11,989,000 and an additional amount of \$179,000 for proposed Dealer Trust Legislation. This allowance included a legislative request for license fees where appropriated funds of \$3,552,000 would be used to provide for a 3-month reserve and start-up cost for converting to license fees.

Biographical Sketch

JOHN D. EDMOND, JR.

John D. Edmond, Jr. is currently the Acting Director of the Management Services Staff, Packers and Stockyards Administration, U.S. Department of Agriculture. In this capacity, he serves as Budget Officer with responsibility for the Agency's budget and management services support activities, including administration of various payroll, personnel, financial, and related functions.

During his career, he served as Supervisory Industrial Specialist in P&SA's Lawndale, California and Lenexa, Kansas Regional Offices where he was responsible for P&SA's scales and weighing program in the California Region (California, Arizona, Nevada and Hawaii) and the Kansas Region (Kansas and Missouri).

Immediately prior to assuming the position of Acting Director of MSS, he served as Regional Supervisor in P&SA's Indianapolis, Indiana Regional Office where he was responsible for P&SA's activities in Indiana, Ohio, Kentucky, Illinois and Michigan.

**BIOGRAPHICAL SKETCH****HAROLD W. DAVIS**

**Harold W. Davis is Director of the Livestock Marketing Division, Packers and Stockyards Administration, United States Department of Agriculture.**

**He is a native of Oklahoma where he grew up on a small farm and graduated from Oklahoma State University in 1963 with a degree in Animal Science.**

**Mr. Davis began his career with the Packers and Stockyards Administration in 1969 as a Marketing Specialist in the Agency's Denver, Colorado regional office. He transferred to California in 1970 and was promoted to Regional Supervisor in that office in 1976. He was responsible for the Agency's activities and programs in California, Arizona, Nevada and Hawaii from 1976 until he was promoted to Chief of the Marketing Practices Branch, Livestock Marketing Division in 1980. He became Director of the Division in 1983.**

**Prior to joining the Packers and Stockyards Administration, Mr. Davis spent 6 years as a Livestock and Meats Market Reporter with USDA's Agricultural Marketing Service.**

PACKERS AND STOCKYARDS ADMINISTRATION  
Statement of Calvin W. Watkins, Acting Administrator  
before the Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration and Related Agencies

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to appear before the Subcommittee to discuss the programs of the Packers and Stockyards Administration (P&SA). I am accompanied today by two members of my staff, Harold Davis, who is the Director of our Livestock Marketing Division, and John D. Edmond, Jr., who is the Acting Director of our Management Services Staff.

MISSION OF THE AGENCY

The Packers and Stockyards Administration is an Agency of the Department of Agriculture, with primary responsibility for administering the provisions of the Packers and Stockyards Act. Our mission is to assure fair business practices and competitive markets for livestock, meat, and poultry. The programs of the Agency are designed to foster fair and open competition, guard against deceptive and fraudulent practices, and provide payment protection in the marketing of livestock, meat, and poultry.

In addition to its responsibilities under the Packers and Stockyards Act (P&S Act), the Agency administers the



Clear Title provisions contained in Section 1324 of the Food Security Act of 1985.

#### SCOPE OF OPERATIONS

The production and marketing of livestock, meat, and poultry are important to American agriculture and have a significant impact on the Nation's economy. In 1993, the Department of Commerce estimated the wholesale value of livestock, meat, and poultry products to be approximately \$90 billion.

At the close of fiscal year 1993, there were 1,450 stockyards; 7,309 market agencies/dealers, and 2,073 packer buyers registered with the Agency to engage in the livestock marketing business. There were also approximately 6,500 slaughtering and processing packers and an estimated 6,900 meat distributors, brokers, and dealers operating subject to the provisions of the P&S Act. Of the slaughtering packers, 509 were bonded. In addition, packers purchasing over \$500,000 worth of livestock were required to file annual reports with the Agency. There are an estimated 275 poultry firms subject to the P&S Act.

**ORGANIZATION OF THE AGENCY**  
**PROGRAMS UNDER THE P&S ACT**

The Agency's programs are divided into two major program areas under the P&S Act: Livestock Marketing and Packer and Poultry. In these areas, the Agency makes every effort to effectively respond to changing conditions and adapt to an ever-changing industry.

The Agency has 12 regional offices located throughout the United States. These offices have 10 to 14 employees each and consist mainly of auditors, marketing specialists, scales and weighing specialists, and clerical support personnel.

**PROPOSED REORGANIZATION**

The Secretary of Agriculture's proposed reorganization of the Department will combine the functions and activities of the Packers and Stockyards Administration and the Federal Grain Inspection Service into a new agency, Grain Inspection, Packers and Stockyards Administration (GIPSA). This would be a newly consolidated agency to administer the activities of the Federal Grain Inspection Service and the Packers and Stockyards Administration. The proposal for combining the two agencies would produce savings and keep the focus of each organization on its current mission.

**CURRENT ACTIVITIES****PAYMENT PROTECTION**

One of the major concerns of the Agency is providing payment protection to livestock and poultry producers. It is particularly important to the stability of the farm economy for producers to receive full payment, when due.

To address concerns about payment, the Agency continues to give special priority to the financial area. During fiscal year 1993, 4 auction markets failed financially owing \$123,000 for livestock, \$120,000 of which was subsequently recovered from bonds and other sources. For livestock dealers and order buyers, the story is different. During the last fiscal year, 17 dealers/order buyers failed owing \$2.7 million for livestock. Only \$504,000 was recovered, leaving \$2.1 million unpaid.

Dealer failures continue to represent a significant amount of unrecovered losses in the livestock marketing chain. Because of these losses, we are proposing an amendment to the P&S Act which would provide for a statutory dealer trust similar to the packer trust for cash sellers of livestock. The dealer trust would require livestock inventories and accounts receivable due from the sale of livestock to be held in trust for unpaid cash sellers when a dealer fails to pay for livestock. We believe the proposed

trust would be helpful in reducing losses to livestock sellers when dealers fail financially.

In addition, the Agency is currently reviewing the registration, bond, and other financial requirements for dealer/order buyers to determine whether there are other steps that should be taken, under existing law, to improve their financial stability.

Because of increasing concern about the integrity of custodial funds, the Agency continues to emphasize frequent on-site audits of all custodial accounts. This program helps identify market agencies that are misusing custodial funds and those that have a shortage in their custodial accounts. In fiscal year 1990, we implemented a custodial audit program designed to assure all custodial accounts are audited on a regular basis. During the last three years, livestock consignors have recovered 90 percent or more of their losses when auction markets failed financially. Recoveries for the four years immediately preceding the current audit program ranged from 46 to 86 percent.

The statutory trust provisions of the P&S Act have been very successful in recovering losses as a result of failures by meat packers and live poultry dealers. During fiscal year 1993, livestock producers were paid \$.6 million by 10 packers under the statutory trust provisions. Over the past 5 years, more than \$13.5 million has been received by livestock producers under the trust provisions. In



addition, producers received over \$290,000 from packer bonds in fiscal year 1993.

During fiscal year 1993, poultry producers were paid \$1.2 million by two poultry processors under the statutory trust provisions. Since the P&S Act was amended in 1987, poultry producers have received over \$5.2 million under the poultry trust provisions.

#### **LIVESTOCK MARKETING**

The primary responsibilities under the Agency's livestock marketing programs are to ensure prompt and full payment to livestock producers, prevent unfair trade practices, and foster open competition by stockyards, market agencies, and dealers. The bonding, solvency, and custodial account requirements are given top priority to provide maximum payment assurance to livestock producers.

In addition to the payment protection responsibilities, the livestock marketing program places a high priority on investigating fraudulent practices. We emphasize investigation of false weighing, weight and price manipulation, switching of livestock, and misrepresentation of the source, origin, and health of livestock.

Because competition for livestock should be open and free of restrictions, P&SA closely monitors activity in livestock marketing. Any practice, agreement, or understanding that excludes potential buyers from bidding in

open competition is considered a restraint on competition. Examples of such practices include apportioning of territories, price agreements or arrangements not to compete, and payoffs or kickbacks to buyers. We give priority to investigating information or complaints that indicate a possible restriction of competition.

#### PACKER AND POULTRY

The primary responsibilities of the packer and poultry program are to assure prompt and full payment to livestock and poultry producers, foster open and fair competition in the procurement of livestock by packers, and prevent noncompetitive practices in the marketing of meat and meat products. High priority is given to assuring payment for livestock through bonding, solvency tests, and the packer trust, which has helped reduce losses to producers selling livestock on a cash basis to slaughtering packers. The poultry provisions to the Act give similar protection to poultry growers and producers through statutory trust and payment provisions.

The \$1.2 million worth of statutory trust payments to poultry producers in fiscal year 1993 demonstrates the importance and effectiveness of this program.

## SCALES AND WEIGHING

The major emphasis of the Agency's scales and weighing program continues to be directed to weighing investigations. Economic and competitive pressures on individuals and firms engaged in livestock marketing can contribute to falsifying weights as a way to improve income. During fiscal year 1993, 10 percent of the Agency's 550 formal weighing investigations disclosed false or questionable weighing. The percentage of these cases has remained relatively constant for the past few years.

In addition to conducting weighing investigations, the Agency actively participates with the National Conference on Weights and Measures and the National Institute of Standards and Technology in the development of standards, specifications, and tolerances for livestock and carcass scales.

The Agency also develops training programs and provides instruction to State weights and measures officials, private scale testing companies, and scale users. During fiscal year 1993, the Agency's National Training Program provided 5 training classes for 23 weights and measures and industry personnel. Since the inception of this training program in fiscal year 1989, P&SA has provided instruction for over 230 weights and measures officials and state police from 31 states, and representatives of the Navajo Nation.

### MEAT MARKETING

Meat brokers, dealers, and distributors continue to receive attention in the Agency's investigations of illegal inducements such as commercial bribery and illegal brokerage.

Payoffs to chainstore meat buyers impair competition based on price, quality, and service. P&SA maintains regular contact with industry members to obtain leads on illegal conduct. The Agency also works closely with the FBI, the IRS, and the Postal Inspection Service in checking out information. In the area of bait-and-switch selling, the Agency works with State and local officials. This approach has resulted in fostering good working relationships as well as preventing consumer losses.

### MEAT PACKER CONCENTRATION AND CAPTIVE SUPPLIES

Livestock producers and other segments of the livestock and meat industry remain concerned about meat packer concentration, packer feeding, and forward contracting. P&SA reviews industry structural change and market performance on a continuing basis. We monitor the percentage of cattle owned or controlled by packer firms prior to slaughter (captive supplies) through special reports collected from the top 15 steer and heifer slaughterers each year.



The Agency is taking steps to expand our role in dealing with any competitiveness issues that may be associated with concentration in the industry. For example, we are expanding our information base to analyze regional markets and the effects of structural changes in the meat packing industry. This initiative will contribute to our regulatory work and assist in addressing policy issues related to the performance of the industry.

#### **STUDY OF CONCENTRATION IN THE RED MEAT PACKING INDUSTRY**

Work is proceeding on the study of concentration in the red meat packing industry funded in fiscal year 1992. P&SA was asked to conduct this study in part because the Agency has the authority to obtain and protect the confidential data required for the study. The study will increase the Agency's understanding of concentration and structural change in the livestock and meat industries, and assist in the Agency's enforcement activities.

We awarded six contracts totaling \$491,861 for research topics that include the following: Define regional cattle procurement markets, examine the effects of concentration on prices paid for fed cattle, examine how cattle prices are determined, examine the implications of vertical coordination in hog production, conduct a thorough literature review of competition in the meat packing

industry, evaluate hog procurement in the eastern corn belt, and assess the role of captive supplies in beef packing. A draft report on hog procurement in the eastern corn belt has been completed.

During fiscal year 1993, P&SA identified data needs, obtained OMB approval, and began collecting data for the study. Work on the study is proceeding as quickly as possible consistent with technical requirements for sound research and steps required to obtain the data from meat packing firms.

P&SA will continue to collect data through 1994. Analyses will be conducted in 1994 and continue into 1995. It is anticipated that the report will be completed in the summer of 1995.

#### CARE AND HANDLING OF LIVESTOCK

The handling of livestock at stockyards has received considerable attention from the media and special interest groups. To address this issue, the Agency initiated a surveillance program to review the handling practices, services, and facilities at stockyards to assure livestock are being handled and cared for properly.

P&SA has completed its initial review of all stockyards operating in the U.S. While our reviews found the majority of stockyards use good care and handling practices that provide for the animals' well-being, we did find problems at

some stockyards. Problems observed most often were the failure of stockyards to promptly handle downed or injured animals and handling animals in a manner likely to cause unnecessary stress or injury, including excessive use of electrical prods. The Agency is taking corrective action where necessary.

During fiscal year 1994, the Agency is continuing its program to review stockyards, with particular emphasis on those stockyards where problems were observed during the initial review. P&SA has also completed a nationwide investigation concerning the care and handling of baby calves. This investigation involved 70 stockyards, and focused on stockyards which handled over 10,000 head of baby calves annually. Follow-up investigations are being conducted at 22 markets where a handling problem or failure to give prompt attention to downed or injured animals was observed.

#### CLEAR TITLE

The Agency also has responsibility for administering the clear title provisions of Section 1324 of the Food Security Act of 1985. As of January 31, 1994, 19 States have received certification of their central filing systems under these provisions.

The Agency is continuing to review its procedures for carrying out its responsibilities for certification of

central filing systems to determine whether it should be providing additional assistance to States operating the systems or if previously certified systems should be reviewed.

#### AGENCYWIDE INFORMATION MANAGEMENT SYSTEMS

During fiscal year 1995, the Agency will continue to increase the functions of the existing Wide Area Network and enhance electronic access to the Agency's data. Adding network communications, gateway connections to servicing agencies within USDA, and communications connections to outside sources such as Internet and FTS2000 will allow seamless electronic transmissions and retrievals. Where appropriate, electronic access will be provided for other Agencies, Departments, and the public.

P&SA will continue to enhance access to our registration data base through fiscal year 1995. We will integrate other Agency data with the registration data base to provide a unified electronic format. The Agency has adopted "Distributed Processing" and the "Open Systems Model" to allow for small incremental changes and establish a flexible computer technology base able to respond to evolving mission requirements. The main focus of the automation effort is to increase the Agency's efficiency and productivity in monitoring those subject to the Packers and Stockyards Act.



**FISCAL YEAR 1995 BUDGET REQUEST**

The total current law budget request of the Packers and Stockyards Administration for fiscal year 1995 is \$11,989,000. This request is a decrease of \$134,000 from the fiscal year 1994 appropriation.

In a proposal to amend the P&S Act, the Agency is seeking authority to collect license fees to cover the cost of the program. All meat packers, live poultry dealers, stockyard owners, market agencies, and dealers, as defined in the Act, would be subject to the license fees. Appropriated funds of \$3,552,000 would be needed to provide a 3-month reserve and to cover the cost of converting to license fees. The Agency is also requesting an additional \$179,000 to implement the proposed dealer trust legislation. This also would be recovered through license fees.

**CONCLUDING REMARKS**

Mr. Chairman, we appreciate the opportunity to present this statement and welcome the opportunity to respond to any questions you and other members of the Subcommittee may wish to ask.

## PACKERS AND STOCKYARDS ADMINISTRATION

Purpose Statement

The Packers and Stockyards Administration was reestablished by Secretary's Memorandum No. 1000-1, of June 17, 1981. The Agency administers the Packers and Stockyards Act of 1921, as amended, and carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for pre-notification of security interests against farm products. The Agency also has responsibility with respect to persons and firms subject to the Packers and Stockyards Act for the Truth-in-Lending Act, the Fair Credit Reporting Act and the Freedom of Information Act.

The principal purpose of the Packers and Stockyards Administration programs is to assure the integrity of the livestock, meat, and poultry markets and the market place. This includes fostering fair and open competition and guarding against deceptive and fraudulent practices which affect the movement and price of meat animals and the products therefrom. The work of the Agency is also aimed at protecting consumers and members of the livestock, meat and poultry industries against unfair business practices which can unduly affect meat and poultry distribution and prices.

The Food Security Act of 1985 permits the States to establish "central filing systems" for the purpose of pre-notifying buyers, commission merchants, and selling agents of security interests against "farm products." It is the responsibility of the Packers and Stockyards Administration to issue regulations and to certify those systems which meet the criteria set forth in the statute.

Headquarters of the Agency is located in Washington, D.C., with 12 regional offices located in Atlanta, Georgia; Bedford, Virginia; Denver, Colorado; Fort Worth, Texas; Indianapolis, Indiana; Kansas City, Kansas; Lancaster, Pennsylvania; Memphis, Tennessee; Omaha, Nebraska; Portland, Oregon; Sacramento, California; and South St. Paul, Minnesota. As of September 30, 1993, there were 176 full-time permanent and 5 other employees. Of the total, 48 full-time employees worked in the Headquarters office; 128 full-time employees and 5 other employees worked in the regional offices.

## PACKERS AND STOCKYARDS ADMINISTRATION

Available Funds and Staff-Years1993 Actual and Estimated, 1994 and 1995

Item	1993		1994		1995	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Packers and Stockyards Administration ....	\$11,996,000	190	\$12,123,000	190	\$11,989,000	185

## PACKERS AND STOCKYARDS ADMINISTRATION

## Permanent Positions by Grade and Staff-Year Summary

1993 Actual and Estimated 1994 and 1995

Grade	1993			1994			1995		
	Head- quarters	Field	Total	Head- quarters	Field	Total	Head- quarters	Field	Total
ES-6	1	--	1	1	--	1	1	--	1
ES-4	1	--	1	1	--	1	1	--	1
GS/GM-15	4	--	4	4	--	4	3	--	3
GS/GM-14	10	--	10	10	--	10	9	--	9
GS/GM-13	17	12	29	17	12	29	17	11	28
GS-12	4	41	45	4	42	46	4	42	46
GS-11	2	43	45	2	44	46	2	42	44
GS-10	1	--	1	1	--	1	1	--	1
GS-9	1	10	11	1	9	10	1	9	10
GS-8	3	--	3	3	0	3	3	0	3
GS-7	0	15	15	0	14	14	0	14	14
GS-6	7	10	17	7	10	17	7	10	17
GS-5	2	6	8	2	6	8	2	6	8
GS-4	0	3	3	--	3	3	--	3	3
GS-3	0	0	0	--	0	0	--	0	0
GS-2	--	--	--	--	--	--	--	--	--
Other Graded Positions....	--	--	--	--	--	--	--	--	--
Ungraded Positions....	--	--	--	--	--	--	--	--	--
Total Permanent Positions....	53	140	193	53	140	193	51	137	188
Unfilled Positions:									
end-of-year....	-5	-12	-17	--	--	--	--	--	--
Total, Permanent Employment,									
end-of-year....	48	128	176	--	--	--	--	--	--
Staff Years:									
Ceiling.....	50	140	190	52	138	190	52	133	185



## PACKERS AND STOCKYARDS ADMINISTRATION

CLASSIFICATION BY OBJECTS1993 and Estimated 1994 and 1995

	<u>1993</u>	<u>1994</u>	<u>1995</u>
<b>Personnel Compensation:</b>			
Headquarters.....	\$2,572,000	\$2,623,000	\$2,615,000
Field.....	<u>5,316,000</u>	<u>5,497,000</u>	<u>5,489,000</u>
11 Total personnel compensation.....	7,888,000	8,120,000	8,104,000
12 Personnel benefits..	1,650,000	1,698,000	1,687,000
Total personnel comp. and benefits.....	<u>9,538,000</u>	<u>9,818,000</u>	<u>9,791,000</u>
<b>Other Objects:</b>			
21 Travel.....	683,000	692,000	675,000
22 Transportation of things.....	26,000	26,000	26,000
23.2 Rental payments to others.....	107,000	108,000	108,000
23.3 Communications, utilities, and misc. charges....	412,000	414,000	416,000
24 Printing and reproduction.....	29,000	29,000	30,000
25.1 Consulting services.	5,000	5,000	5,000
25.2 Other services.....	545,000	548,000	542,000
26 Supplies and materials.....	198,000	198,000	187,000
31 Equipment.....	391,000	285,000	209,000
42 Insurance claims & Idemnity.....	1,000	--	--
Total other objects.....	<u>2,397,000</u>	<u>2,305,000</u>	<u>2,198,000</u>
Total direct obligations....	<u>11,935,000</u>	<u>12,123,000</u>	<u>11,989,000</u>
<b><u>Position Data:</u></b>			
Average Salary, ES positions.....	\$111,500	\$111,000	\$113,000
Average Salary, GM/GS positions.....	\$36,400	\$37,400	\$38,700
Average Grade, GM/GS positions.....	10.59	10.61	10.55

## PACKERS AND STOCKYARDS ADMINISTRATION

The estimates include proposed changes in the language of this item as follows: (new language underscored; deleted matter enclosed in brackets).

Packers and Stockyards Administration:

For necessary expenses for administration of the Packers and Stockyards Act, as authorized by law, and for certifying procedures used to protect purchasers of farm products, including field employment pursuant to section 706 (a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$5,000 for employment under 5 U.S.C. 3109. [\$12,123,000] \$11,989,000.

SALARIES AND EXPENSES - CURRENT LAW

President's Budget, 1994.....	\$12,123,000
Budget Request, 1995.....	<u>11,989,000</u>
Decrease in Appropriation.....	<u>- 134,000</u>

SALARIES AND EXPENSES - PROPOSED LEGISLATION

Budget Request, Current Law, 1995.....	\$11,989,000
Change Due to Proposed Legislation.....	<u>- 8,437,000</u>
Net Request, 1995 President's Budget.....	<u>\$ 3,552,000</u>

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW  
 (On basis of appropriation)

<u>Item of Change</u>	<u>1994</u> <u>Estimated</u>	<u>Pay</u> <u>Costs</u>	<u>Program</u> <u>Changes</u>	<u>1995</u> <u>Estimated</u>
Administration of the Packers and Stockyards Act .....	<u>\$12,123,000</u>	<u>+\$ 96,000</u>	<u>-\$230,000</u>	<u>\$11,989,000</u>
Total Available.....	<u>12,123,000</u>	<u>+ 96,000</u>	<u>- 230,000</u>	<u>11,989,000</u>

PROJECT STATEMENT - CURRENT LAW  
 (On basis of appropriation)

	: 1993	:	: 1994	:	:	: 1995	:
	: Actual	:	: Estimated	:	: Increase	: Estimated	:
	:	:	:	:	: or	:	:
	: Staff-	:	: Staff-	:	: Decrease	: Staff-	:
	: Amount	: Years	: Amount	: Years	:	: Amount	: Years
Administration	:	:	:	:	:	:	:
of the Packers	:	:	:	:	:	:	:
and Stockyards	:	:	:	:	:	:	:
Act.....	\$11,934,736:	190	\$12,123,000:	190	-134,000	\$11,989,000:	185
	:	:	:	:	:	:	:
Unobligated.....	61,264:	--	--	--	--	:	--
	:	:	:	:	:	:	:
Total Appropriated:	<u>11,996,000:</u>	<u>190</u>	<u>12,123,000:</u>	<u>190</u>	<u>-134,000</u>	<u>11,989,000:</u>	<u>185</u>

EXPLANATION OF PROGRAM

The Packers and Stockyards Administration (P&SA) administers the Packers and Stockyards Act (P&S Act) (7 U.S.C. 181-229). The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for prenotification of security interests against farm products. In addition, the Agency administers the Truth-in-Lending Act (15 U.S.C. 1601 et seq); the Fair Credit Reporting Act (15 U.S.C. 1681 et seq); and the Freedom of Information Act (5 U.S.C. 552) as these statutes apply to persons and firms subject to the P&S Act. Agency programs are designed to assure the integrity of the livestock, meat and poultry markets and the marketplace. Other functions of the Agency include assuring prompt payment to producers for livestock and poultry and assuring nondiscriminatory marketing charges and accurate weights. The Agency's programs also include protecting consumers from unfair business practices in the marketing of meat.

	1993 <u>Actual</u>	1994 <u>Estimated</u>	1995 <u>Estimated</u>
Investigations	3,085	3,000	3,000
Market Agencies/Dealers Registered	9,382	9,500	9,500
Stockyards Posted	1,450	1,450	1,450
Slaughtering and Processing Packers Subject to the Act (estimated)	6,500	6,500	6,500
Distributors, Brokers, and Dealers Subject to the Act (estimated)	6,900	6,900	6,900
Poultry Operations Subject to the Act	275	275	275

The wholesale value of livestock, meat, and poultry products produced by firms subject to the Act was \$90 billion in fiscal year 1993, up 1.4 percent from 1992.

The principal activities carried out in administering the Act are:

- Investigating trade practices of packers, market agencies, and dealers to detect fraudulent transactions and to guard against unfair trade practices detrimental to producers and the industry.
- Investigating packer meat merchandising and chain store buying in order to maintain prices established by fair and competitive marketing practices.
- Investigating the financial condition and payment practices of market agencies, dealers, packers, and live poultry dealers subject to the Act to determine if they are financially sound and capable of meeting their obligations.
- Maintaining the integrity of the statutory trust for cash sellers of livestock and poultry.
- Surveillance of marketing at public markets and geographical area markets to foster and maintain fair and effective competition and avoid conflicts of interest.
- Obtaining adequate surety bonds from auction operators, commission firms, dealers, and packers (purchasing more than \$500,000 of livestock annually) to assure payment for livestock purchased.
- Investigating poultry marketing practices to identify and correct those which are injurious to producers and operators in the industry.



- Checkweighing at auction markets, terminal stockyards, and at packer and dealer buying stations to foster and maintain integrity in the weights of subject transactions.
- Maintaining a surveillance program at stockyards to assure livestock are being handled and cared for properly.
- Under the Secretary's proposed reorganization, the Packers and Stockyards Administration will be combined with the Federal Grain and Inspection Service and its functions will be transferred to the new agency, Grain Inspection, Packers and Stockyards Administration (GIPSA).

#### JUSTIFICATION OF INCREASES AND DECREASES

(1) An net decrease of \$134,000 for administration of the Packers and Stockyards Act:

- (a) An increase of \$96,000 for pay costs.
- (b) An increase of \$83,000 for non-salary cost increases.
- (c) A decrease of \$238,000 and 5 staff-years for a reduction in Federal employment.

Need for Change.

In support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, P&SA is reducing employment from the FY 1993 base by three percent.

Nature of Change.

To achieve the reduction, P&SA will streamline its operation. The total reduction in personnel costs amounts to \$238,000. This will be accomplished by placing a hiring freeze on employment.

- (d) A decrease of \$75,000 for administrative efficiency.

Need for Change.

In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$75,000.

Nature of Change.

In order to achieve these savings, P&SA will reduce administrative expenses by \$75,000 in FY 1995, in areas such as software and computer equipment.

## PACKERS AND STOCKYARDS ADMINISTRATION

Summary of Proposed Legislation  
(Dollars in Thousands)Summary of Increases and Decreases - Proposed Legislation

<u>Item of Change</u>	<u>FY 1995</u>		
	<u>Current Law</u>	<u>Program Changes</u>	<u>Budget Request</u>
Packers and Stockyards Act	\$11,989	-\$8,437	\$3,552
Proposed Dealer Trust	(0)	(-179)	(0)
Appropriation Request	<u>11,989</u>	<u>- 8,437</u>	<u>3,552</u>

Explanation of Proposed Legislation

Start-Up Costs - Provides a one-time 3-month reserve and start-up of \$3,552,000 to convert to license fee status.

License Fees - This proposal would amend the Packers and Stockyards Act to provide authority to collect license fees to cover the cost of the program. Currently, the law provides registration requirements for market agencies and dealers, but there is no authority for licensing fees. All packers, live poultry dealers, stockyard owners, market agencies and dealers, as defined in the Packers and Stockyards Act, would be required to have a valid license and subject to the license fees.

Dealer Trust - The proposed legislation would amend the Packers and Stockyards Act to provide for a statutory "dealer trust." Such a trust would require livestock inventories and accounts receivable due from the sale of livestock to be held in trust for unpaid cash sellers when a dealer fails to pay for livestock. Dealer failures represent a significant amount of unrecovered losses in the livestock marketing chain. A dealer trust would be helpful in minimizing these losses by producers.

Marketing agencies selling livestock on a commission basis have long been required to handle funds received from the sale of consignors' livestock as trust funds and to use a special bank account designated "Custodial Account for Shippers' Proceeds." In 1976, the P&S Act was amended to require meat packers to hold inventories and receivables in trust for unpaid cash livestock sellers in the event of a financial failure. There is no similar protection for livestock sellers when they sell to a dealer.

## PACKERS AND STOCKYARDS ADMINISTRATION

## STATUS OF PROGRAM

Current Activities: The Packers and Stockyards (P&S) Act of 1921 (7 U.S.C 181-229) is administered to assure free and open competition, fair trade practices, and financial protection to the livestock, meat, and poultry industries. The objectives of the P&S Act are to protect producers, consumers, and competitors against unfair, deceptive, or discriminatory practices as well as those that are predatory or monopolistic in nature. The Agency also carries out the Secretary's responsibilities under Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for prenotification of security interests against farm products. Specific areas to which efforts are now being directed are:

1. Payment Protection: It is very important that livestock producers receive payment for the livestock they market. Accordingly, the area of payment protection will continue to receive high priority in work planning and allocation of Agency resources. Particular emphasis will be placed on prompt payment, financial frauds, and material insolvencies. The Agency will continue to investigate failure to pay for meat and poultry and remain actively involved in statutory trust matters and bonding activities.

The P&S Act provides comprehensive financial protection to cash sellers of livestock to packers. The Agency program to carry out these provisions and activities to prevent losses to livestock sellers receives top priority. Annual reports of packers are analyzed with insolvent packers required to improve their working capital either by adding current assets and/or reducing current liabilities. During fiscal year 1993, insolvent packers improved their working capital by \$2.3 million.

2. Custodial Account Audit Program: The Agency will continue its emphasis on custodial account investigations as a means of payment protection for consignors of livestock. A program has been implemented which will assure each custodial account is examined on at least a 3-year frequency.
3. Livestock Marketing: Fraudulent marketing practices such as false weighing, weight and price manipulation, and misrepresentation of livestock as to origin and health continue to be problems within the industry. Emphasis is given to investigating these practices when complaints are received or when they become evident during other investigations.

Competition for livestock, either in direct trading or at public markets, should be open and free of restrictions. Any practice, agreement, or understanding which excludes potential buyers from bidding in open competition would be considered a restraint on competition. Practices which result in the lessening of competition for producers' livestock include apportioning of territories, price agreements or arrangements not to compete, and payoffs or kickbacks to buyers. Therefore, any information which indicates a possible restriction of competition is investigated on a priority basis.

4. Competition: One of the major responsibilities under the Act is to assure that a fair competitive marketing system exists. The Agency continually monitors the packing industry for unfair practices, and in cooperation with the Justice Department, Antitrust Division, acts to fulfill its responsibilities with regard to concentration and potential competitive restrictions.
  5. Meat Marketing: The Agency continues to place emphasis on commercial bribery in the wholesale meat industry, particularly on investigations of meat brokers, since approximately 60 percent of the Agency's formal bribery actions involve brokers. When bribes are present, retail chainstore meat buyers base buying decisions on the amount of the bribe rather than price, quality and service, thereby eliminating fair and open competition.
- Bait-and-switch freezer meat operators continue to be a concern to the Agency. The Agency's policy of referring complaints to State and local authorities, and working with them during the investigative stages, continues to be a satisfactory arrangement.
6. Scales and Weighing: The Agency's mission in this area of responsibility is directed toward two different elements which affect the integrity of subject transactions. These two elements are: (1) the accuracy of the scales used for weighing livestock, meat, and poultry; and, (2) the proper and honest operation of scales to assure that the weight on which a transaction is based is accurate and honest.

The major emphasis of the Agency in this program area is directed toward the detection of improper and fraudulent use of subject scales. This is an investigative program employing the use of several different types of procedures to determine if weighing activity is proper and honest. Investigative procedures and frequencies are changed, as necessary, to relate to different or changing marketing methods and conditions.

Assuring the accuracy of subject scales does not require as great an expenditure of Agency resources as does the investigative program. Required tests of subject scales are performed, in most cases, not by Agency personnel, but by State and private testing agencies.

The Agency monitors this testing by analyzing required reports of tests of subject scales. In order for a scale test to accurately reflect the condition of a scale, the test applied must be correct and sufficient to develop the operating characteristics of the scale under normal conditions of use. Such a test must be comprehensive and carefully controlled. The Agency, as a means of assuring that tests performed on subject scales are proper and complete, is an active participant in a national training program sponsored by the National Conference on Weights and Measures and administered by the National Institute of Standards and Technology. The Agency also participates in the development of curricula for technical training schools and in the conduct of those training schools across the country.



7. Inter-Agency Cooperation - Food Safety: The Agency is continuing to work with other Federal agencies in a cooperative effort to control the marketing of livestock treated with antibiotics and sulfa drugs. The Agency participates in monthly meetings of an Interagency Residue Control Group, along with representatives of the Food and Drug Administration and Food Safety and Inspection Service to foster and maintain cooperation on this important issue.
8. Poultry: Well over 90 percent of all poultry produced in the country are raised under some form of growing arrangement. The Packers and Stockyards Administration strives to ensure that contracted poultry growers are treated fairly and in a nondiscriminatory manner.
9. Care and Handling of Livestock: Under the provisions of the P&S Act, the Agency has jurisdiction over the marketing of livestock at stockyards. If it is found that the care and handling of livestock at a stockyard is in any way unjust, unreasonable, or discriminatory, then rules, regulations, and practices can be prescribed for the handling of such livestock to the extent necessary to protect the quality and value of the animal. The Agency already has adopted a regulation which requires stockyard owners and packers to exercise reasonable care and promptness with respect to handling livestock to prevent shrinkage, injury, death, or other avoidable loss. The Agency also has a surveillance program to review the handling practices, services, and facilities at stockyards.

#### SELECTED EXAMPLES OF RECENT PROGRESS:

##### 1. Payment Protection:

During fiscal year 1993, the Agency conducted 51 on-site audits which determined that 42 dealers and market agencies were insolvent. A total of 146 dealers and market agencies found to be insolvent through audit or analysis of annual reports improved their working capital by \$15.4 million after being placed on notice of the deficiency.

Poultry Growers Protected: During fiscal year 1993, Agency personnel met with numerous State and local poultry growers associations to explain the various provisions of the Packers and Stockyards Act that provide protection to poultry growers. This increased activity by the Agency in matters involving contractual growing of poultry has resulted in several growers contracts being reinstated after having been notified that their contracts were being terminated.

Carcass Merit Purchasing: The Agency developed and implemented procedures to monitor the use of electronic grading devices used by hog slaughterers to purchase hogs on a carcass merit basis. The program ensures the electronic measuring is accurate, properly applied, and the producer receives a true, accurate accounting of the sale.

2. Custodial Accounts: During fiscal year 1993, compliance audits were conducted on 555 custodial accounts which disclosed that 199 markets had shortages in their custodial

accounts totaling \$7.2 million. As a result of the audit program, 133 markets restored \$3.7 million. Follow-up investigations continue of those markets not correcting shortages.

3. Packer Trust: Since the 1976 amendments to the P&S Act, cash sellers of livestock have been paid \$44.8 million under the statutory trust provision. During fiscal year 1993, 10 packer firms paid out \$.6 million. Seventeen packer trust investigations were conducted during fiscal year 1993.
4. Live Poultry Trust: A statutory trust provision offering protection to live poultry growers and sellers became effective in February of 1988. Since then, the Agency has investigated 25 poultry failures, with 13 resulting in payments totalling \$5,161,284.
5. Clear Title: During fiscal year 1986 regulations were issued to implement Section 1324 of the Food Security Act of 1985 covering "central filing systems" established by States for prenotification of security interests against farm products. As of October 31, 1993, 19 States applied for and received certification of their central filing systems.
6. Financial Fraud: Agency personnel assisted the United States Attorney in prosecuting defendants in a check kiting scheme involving three livestock dealers. Temporary restraining orders and preliminary injunctions were obtained against two livestock markets in Kansas and Texas for alleged misuse of custodial account trust funds for their own purposes and failing to pay for livestock purchases.  
  
Agency personnel assisted the FBI in an investigation of a New York meat dealer who defrauded a Canadian meat packer out of \$881,671 as a result of buying meat with a forged bank letter of credit. The investigation resulted in a 21-month prison term, a \$4,000 fine, 3-years probation, and an order to make restitution of the \$881,671.
7. Frauds in Livestock Marketing: Violations of the Act involving an undisclosed arbitrary increase in weights and prices is a recurring problem in livestock marketing transactions. Five investigations completed in fiscal year 1993 disclosed fraud schemes by livestock order buyers and dealers. These five investigations involved 10 persons who allegedly marked up the weight on livestock sold to customers. Five of the individuals also created false records to deceive their customers.
8. Commercial Bribery: Several merchandising investigations were conducted nationwide during fiscal year 1993 which included reviewing records for bribery. No formal actions were taken.
9. Scales and Weighing Activities: P&SA conducted 550 weighing investigations in fiscal year 1993. About 10 percent of the investigations disclosed false weighing. More than 17,000 head of livestock were checkweighed by agency personnel in these investigations.

The Agency conducted three training schools for State and local weights and measures officials from four States. A

total of 23 State and Agency personnel attended these schools conducted as part of the National Training Program. Since the inception of this National Training Program in 1988, the Agency has conducted 15 training schools for 231 officials from 29 States. More of these schools are planned for fiscal year 1994 and beyond.

Five investigations resulted in formal action being taken against nine individuals and a corporation for fraudulent weighing activities. These cases resulted in cease and desist orders and civil penalties totaling \$87,500.

The Agency continues to have representation on the National Type Evaluation Program (NTEP) of the National Conference on Weights & Measures (NCWM) and the National Institute of Standards & Technology (NIST). This committee develops and maintains national standards for weighing devices.

10. Packer Bonding: All packers purchasing in excess of \$500,000 worth of livestock annually must be bonded.

Packer Bonding Activity

Value of bonds (\$ in millions)	300.5
Number of packers bonded 9/30/93	509
Number of packer bonds called on in fiscal year 1993	15
Value of packer bonds called on (\$ in thousands)	635

During fiscal year 1993, three percent of the packer bonds had claims filed for nonpayment of livestock. The value of bonds called on represents 0.2 percent of the total bond coverage value similar to the recovery rate since fiscal year 1984. This low rate of use is primarily due to the success of the statutory trust provision in protecting the dealers' assets.

11. Registration: The Act and regulations require that each market agency and dealer operating in commerce be registered. To comply, a firm must file an application simultaneously with a surety bond or its equivalent.

Registration/Bonding Activity

Market agencies/dealers registered and bonded	7,309
Value of registrants' bonds (\$ in millions)	279.4
Packer buyers - registered only	2,073

During fiscal year 1993, 258 claimants were paid \$1.1 million from bond proceeds of dealers and market agencies who failed financially.

12. Care and Handling of Livestock: The handling of livestock at stockyards has received considerable media attention. In order to address this issue, the Agency initiated a surveillance program to review the handling practices, services, and facilities at stockyards to assure livestock are



being handled and cared for properly. During fiscal year 1993, P&SA completed its review of all stockyards regarding animal care and handling practices. The Agency also completed a Nationwide investigation concerning the care and handling of baby calves.

13. Captive Supplies Examined: Livestock producers have expressed concerns that captive supplies may reduce prices paid for fed steers and heifers. Captive supplies are cattle that packers own or contract to purchase before the animals are ready for slaughter. The Agency has contracted for a study of the role of captive supplies in beef packing to be conducted in fiscal years 1993, 1994, and 1995.
14. Reparations: During fiscal year 1993, 20 reparation actions were docketed and 20 complainants sought orders against 33 respondents in the total amount of \$828,268.81.
15. Packer Concentration Study: Significant changes are occurring in the structure of the meat packing industry. Congress appropriated \$500,000 to the Agency in fiscal year 1992 to study concentration in the red meat packing industry. The project will increase the Agency's understanding of concentration and structural change in the livestock and meat industries, and assist in the Agency's enforcement activities. It also will strengthen the Agency's database and analytical capability to examine the competitive implications of structural changes. Research topics include: A determination of regional cattle procurement markets; an examination of the effects of concentration on prices paid for slaughter cattle; an examination of how cattle prices are determined; an assessment of the role of captive supplies in beef packing; an examination of the implications of vertical coordination in hog production; an evaluation hog procurement in the Eastern Corn Belt; and a literature review of the meat packing industry.

Six contracts totaling \$491,861 were awarded in 1992. During fiscal year 1993, the Agency identified data needs, obtained OMB approval and began collecting the large amount of sensitive data needed for the study. Data collection will continue through 1994. Analyses will be conducted in 1994 and 1995. A final summary report and contractors' reports are scheduled for release in 1995.





THURSDAY, APRIL 14, 1994.

## FEDERAL GRAIN INSPECTION SERVICE

### WITNESSES

DAVID R. SHIPMAN, ACTING ADMINISTRATOR, FEDERAL GRAIN INSPECTION SERVICE

STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

### USER FEES

Mr. DURBIN. Next we have the Federal Grain Inspection Service. We have a recurring theme here of user fees, and I would like to ask if you could address the concern within the industry on the level of these fees and how they might be used.

Mr. SHIPMAN. Currently, we charge fees for our services.

The Administration is going to be sending some proposed legislation to Congress that would shift \$5 million of our funding from appropriated to user fees.

The industry is concerned about it. Our direct customers, the grain handling facilities that we actually bill right now for the services that we render, are concerned that the beneficiaries of the standardization functions are more than just them, that all grain handlers, including producers benefit from the standards. So, yes, the industry is concerned about our increasing the fees that we have right now to cover that activity.

The Administration believes that standardization activities benefit that segment of the industry. The cost of that operation typically does move back through the market to other participants in it. It is our plan to increase fees we currently charge our customers if necessary, to accommodate the portion of that \$5 million that we could not cover through efficiencies.

Mr. DURBIN. Do you have any estimate now what that might be?

Mr. SHIPMAN. If we cannot accommodate the shift through efficiencies in the program, we are looking at a 15 percent increase.

Mr. DURBIN. What is the current charge?

Mr. SHIPMAN. Well, it depends on the activities. Our current hourly fee, for example, at an export market if the facility contracts with us, is about \$31 an hour, and if they do not contract with us, it is \$41 an hour. And so those would be going up approximately 15 percent.

[CLERK'S NOTE.—Mr. Shipman's biographical sketch appears on page 641. His statement appears on pages 642 through 658. The Explanatory Notes appear on pages 659 through 680.]

[Additional questions and responses follow:]

## USER FEES

Mr. DURBIN. Your budget proposal includes submitting language to authorize the collection of over \$5 million in new user fees to cover the cost of developing and revising grain standards. Who are the beneficiaries of grain standards? How will you ensure that all beneficiaries are charged and reduce the number of free riders?

RESPONSE. Official U.S. grain standards provide a uniform language which facilitates marketing and provides a credible basis for trade among producers, traders, and buyers. The primary beneficiaries are producers, traders, buyers, and sellers who request official inspection services.

Other beneficiaries of the standards are processors and handlers who may or may not use the official inspection service provided by the national inspection system. Many individuals involved in grain marketing use the standards as a benchmark for quality criteria and pricing schedules.

In any user fee funded public program that benefits a particular industry, there will be indirect beneficiaries who may gain from the service but not be required to pay. In actuality, those that pay directly for the service will pass additional costs on to others in the industry so that all of the benefitting industry actually absorbs the cost of the program.

We will make every effort to equitably recover the cost of standards development from the direct beneficiaries of the service. Currently, the mechanism we have in place to charge the fees is our grading program. This does not preclude us from charging other beneficiaries in the industry if we find that there are other direct beneficiaries and an appropriate mechanism can be put in place for collection of the fees.

To insure an orderly transition of user fees, FGIS will implement fee adjustments only after careful review of all necessary costs for each program.

Mr. DURBIN. Will this increase the operating costs for farmers? Will this increase the operating cost for consumers? Have you had any discussions to indicate the industry support for these additional user fees?

RESPONSE. Recovering \$5 million through fees charged as part of official inspection would represent approximately .05 of a cent per bushel inspected. These costs may be passed back to the farmers but should not have an adverse impact. The grain industry does not support this change.

Mr. DURBIN. For the record, please describe how these fees are determined, the amount, and the range of fees.

RESPONSE. FGIS uses prior year actual costs as a base for developing projected funding needs with adjustments for pay costs and inflation as necessary. The amount (\$5 million) will be distributed on the basis of program activity to the various user fee programs for FGIS (i.e., grain, rice, commodities). The current hourly range of user fees is \$31.50 to \$57.00 for grain inspection & weighing; \$18.40 to \$25.40 for commodity inspection & weighing; and \$29.00 to \$50.40 for rice inspection & weighing. This range of fees will be increased by 7 to 15 percent based on program activity or costs.

Mr. DURBIN. When will this fee structure you have proposed have to be enacted into law in order for you to carry out this program in a timely manner? What is your time schedule of getting this fully implemented?

RESPONSE. Our plan would be to have a new fee schedule in place by October 1, 1994 (beginning of fiscal year 1995). A minimum of 90 days would be required to prepare proposals for public comment, receive comments, evaluate, and prepare new schedules for publication in the Federal Register.

Mr. DURBIN. Please submit a sub-object class table for "Standardization Activities."

RESPONSE.

*Fiscal year 1995 standardization activities*

[In thousands of dollars]

11.1	Full time permanent .....	2,551
11.3	Other than full time permanent .....	3
11.5	Other personnel compensation .....	48
11.9	Total personnel compensation .....	2,602
12.1	Civilian personnel benefits .....	554
21.0	Travel and transportation of persons .....	119
22.0	Transportation of things .....	22
23.2	Rental payments to others .....	21
23.3	Communications, Utilities, and Misc. charges .....	158
24.0	Printing and Reproduction .....	15

25.2	Other Services .....	1,117
26.0	Supplies and Materials .....	172
31.0	Equipment .....	241
99.9	Total obligations .....	<u>5,021</u>

Mr. DURBIN. Last year, the FGIS increased fees for grain inspection and weighing services and then rescinded the fees in late January. Did FGIS incur losses as a result of rescinding the fee increase? Were the increased fees reinstated? What is the status of the user fee account?

RESPONSE. Last year, FGIS published an Interim Final Rule, with requests for comments, to increase fees by 3.7 percent. We then suspended the increase indefinitely pending an analysis of need for the increase. The increased fees have not been reinstated. We did not incur a loss in FY 1993 but are running a deficit in the first 5 months of FY 1994. The user fee account balance has decreased from \$10.1 million on September 30, 1993 to \$9.5 million as of February 28, 1994.

#### GRAIN INSPECTED

Mr. DURBIN. For the record, please update the tables that appear on pages 205 through 211 of last year's hearing record, showing the grains inspected and/or weighed for export by country of destination, for fiscal year 1993.

RESPONSE.



## GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT BY COUNTRY OF DESTINATION

FY93 - YEAR TO DATE SEP 30, 1993

- METRIC TONS -

COUNTRY	WHEAT	RYE	YELLOW CORN	WHITE CORN	OATS	BARLEY	SORGHUM	SOYBEANS	FLAX	SUN FLOWER	TOTAL
AFGHANISTAN	50,000	0	0	0	0	0	0	0	0	0	50,000
ALBANIA	20,000	0	0	0	0	0	0	0	0	0	20,000
ALGERIA	1,157,034	0	1,200,103	0	0	104,855	0	0	0	0	2,461,992
ANGOLA	0	0	21,928	0	0	0	0	0	0	0	21,928
ARMENIA	220,231	0	0	0	0	0	0	0	0	0	220,231
AUSTRALIA	0	0	0	0	0	0	0	72,395	0	0	72,395
BAHRAIN	0	0	26,246	0	0	0	0	0	0	0	26,246
BANGLADESH	394,156	0	0	0	0	0	0	0	0	0	394,156
BARBADOS	19,400	0	22,665	0	0	0	0	0	0	0	42,065
BARBADOS	110,977	0	282,391	0	0	0	0	809,542	0	0	1,202,910
BELGIUM	15,291	0	0	0	0	0	0	0	0	0	15,291
BELIZE	3,000	0	1,528	0	0	0	1,704	0	0	0	4,732
BENIN	175,627	0	0	0	0	0	0	0	0	0	175,627
BOLIVIA	0	0	0	0	0	0	2,245	0	0	0	2,245
BOTSWANA	240,775	0	70,620	0	0	0	0	265,035	0	0	576,430
BRAZIL	10,000	0	110,233	0	0	0	0	0	0	0	130,233
BULGARIA	2,001	0	0	0	0	0	0	0	0	0	2,001
BURUNDI	6,500	0	141,132	0	0	0	0	0	0	0	201,632
BYELARUS	57,233	0	2,300	0	0	0	0	0	0	0	59,633
CAMBODIA	5,675	0	13,507	0	0	5,236	0	0	0	0	148,418
CANARY IS	0	0	17,719	0	0	0	0	0	0	0	17,719
CAPE VERDE	195,481	0	245,958	0	0	0	22,713	0	0	0	464,152
CHILE	2,148,798	0	5,450,762	0	0	0	0	61,398	0	0	2,210,196
CHINA MAIN	884,187	0	346,570	4,246	0	0	0	2,439,859	0	0	8,774,808
CHINA T	323,960	0	307,303	5,500	0	0	0	69,915	0	0	744,691
COLOMBIA	155,889	0	37,801	0	0	0	0	126,334	0	0	595,016
COSTA RICA	96,142	0	0	0	0	137,531	0	0	0	0	271,474
CYPRUS	0	0	0	0	0	0	0	55,274	0	0	55,274
DENMARK	225,679	0	619,403	0	0	0	0	48,437	0	0	889,519
DOMINICAN REP	279,384	0	24,372	0	0	0	9,501	0	0	0	313,257
ECUADOR	3,492,746	0	1,608,599	0	0	0	0	0	0	0	5,101,345
EGYPT	133,153	0	91,158	0	0	0	0	0	0	0	224,311
EL SALVADOR	99,962	0	37,777	0	0	0	0	45,917	0	0	183,656
ESTONIA	110,284	0	0	0	0	0	0	0	0	0	110,284
ETHIOPIA	28,166	0	0	0	0	0	0	0	0	0	28,166
FINLAND	0	0	0	0	0	0	0	383,225	0	0	383,225
FRANCE	298,116	0	0	0	0	0	0	924,910	0	0	398,116
GERMANY	0	0	6,273	0	0	0	0	0	0	0	6,273
GHANA	172,059	0	7,149	0	0	0	0	0	0	0	179,208
GREECE	0	0	12,881	0	0	0	0	198,225	0	0	211,106

FY93 - YEAR TO DATE SEP 30, 1993

**METRIC TONS -**

[illegible]



## GRAINS INSPECTED AND/OR WEIGHED FOR EXPORT BY COUNTRY OF DESTINATION

FY93 - YEAR TO DATE SEP 30, 1993

- METRIC TONS -

COUNTRY	WHEAT	RYE	YELLOW CORN	WHITE CORN	OATS	BARLEY	SORGHUM	SOYBEANS	FLAX	SUN FLOWER	TOTAL
ZAIRE	83,353	0	0	0	0	0	0	0	0	0	83,353
ZAMBIA	0	0	279,044	0	0	0	0	0	0	0	279,044
ZIMBABWE	111,813	0	357,261	0	0	0	50,002	0	0	0	519,076
GRAND TOTAL	36,748,114	0	40,945,227	537,736	24,123	1,625,074	5,758,472	20,600,151	0	0	106,238,897
SHIPMENTS TO CANADA*	1,406,398	0	1,180,729	0	0	738,669	0	612,129	0	0	3,937,925

\*NOT INCLUDED IN TOTAL INSPECTION FOR EXPORTS  
GRAIN SHIPPED FOR STORAGE IN CANADA IS REPORTED AT TIME OF SHIPMENT FROM ST LAWYR SHY PORTS

SOURCE: FEDERAL GRAIN INSPECTION SERVICE



## GRAIN DUST EXPLOSIONS

Mr. DURBIN. Please provide for the record the number of explosions resulting from grain dust and include the number of deaths and injuries for fiscal years 1983 through 1993.

RESPONSE.

## GRAIN DUST EXPLOSIONS

	Explosions	Injures	Deaths
1983 .....	12	12	5
1984 .....	20	29	8
1985 .....	16	14	1
1986 .....	25	22	6
1987 .....	20	17	0
1988 .....	12	12	8
1989 .....	10	5	2
1990 .....	18	8	0
1991 .....	16	9	1
1992 .....	7	6	1
1993 .....	6	9	1

## COMPLAINTS

Mr. DURBIN. Previously, FGIS has testified that complaints concerning the quality of exported grain was on the decrease. Based on the table showing "Foreign Complaints Received by FGIS" in last year's hearing record, the number is increasing. How many complaints did you receive in fiscal year 1993? Why do you think the number of complaints more than doubled in fiscal year 1993? What percentage of the total tonnage of grain exported does this represent?

RESPONSE. In fiscal year 1993, we received 48 complaints on grain quality and 2 on weight. This compares to 21 complaints in 1992 and 17 in 1991. The 50 complaints reported in fiscal year 1993, represent 1.6 percent, by weight, of all U.S. grain exports.

The large increase in 1993 is largely attributable to weather conditions that adversely affected portions of the grain crop. While we determined that the grain shipments met contract specifications at the time of loading, some complaints were lodged because the quality was not stable for the duration of the voyage and portions of some cargoes arrived out of condition. In other cases, we determined that the cargo arrived in sound condition, but the quality discrepancy arose from using different inspection methods and procedures at destination.

Finally, some discrepancies were reported by companies or countries who, until recently, were unaccustomed to making their own purchase specifications and contract terms; for example, republics of the former Soviet Union, and companies in countries making the transition from public- to private-sector purchasing.

Mr. DURBIN. Please provide a table showing the number of complaints for exported grain that you received in each of the past six years. Are there any open complaints that have not yet been resolved? Please provide this information by fiscal year.

RESPONSE.

Fiscal year	Number of complaints	Files open
1988 .....	35	0
1989 .....	25	0
1990 .....	22	0
1991 .....	17	0
1992 .....	21	0
1993 .....	50	0
1994 (to date) .....	15	11

Mr. DURBIN. For the record, please provide a short description of each complaint received during fiscal year 1993.

RESPONSE.

## SUMMARY OF FOREIGN COMPLAINTS RECEIVED DURING FY 1993

## GRAIN QUALITY DISCREPANCIES

FILE NO.	RECEIPT DATE	GRADE	QRM	NATURE OF COMPLAINT	VESSEL	ORIGIN/LEV	CITY, STATE	DATE LOADED	DEST.	COMPLAINT	SETTLED DOLLARS
93-OC-1	10/05/92	2	YC	M SCPM	VITORIA	ZEN-ROH	CONVERT, LA	09/05/92	ZENTA	MAT'L PRODUCE MD.	34,102.0
93-OC-2	10/13/92	2	NEW	M PROTEIN	AMERICAN GULF II	CARGILL	CHANNELVIEW, TX	07/17/92	OUTANA	MAT'L MILLING CO.	5,251.0
93-OC-3	10/13/92	2	YC	SCPM	COSEL	BUMIE	DESTERHAM, LA	09/16/92	CANARY ISL	AGROCELM	10,899.0
93-OC-4	10/18/92	2	YC	M DKT HEATING M DKT HEATING	ORLANDO SEA TRADER	CONFIDENTIAL	WESTWEGO, LA	09/07/92	S. AFRICA	MAIZE BOARD	55,504.0
						CONFIDENTIAL	WESTWEGO, LA	09/08/92			34,449.0
93-OC-5	10/23/92	2	NEW	OIL RES. INFESTATION AM. FILTH	COASTAL MARATHES	UNION EQUITY	DEER PARK, TX	09/21/92	GEORGIA	MIN. OF AG.	36,893.0
93-OC-6	11/09/92	2	YC	SCPM	QUALITY OF LIFE	CARGILL	PORT ALLEN, LA	09/22/92	CHILE	VITAL TRADING	24,946.0
93-OC-7	10/30/92	2	NEW	DKT DEFECTS FM	TUO HAI	UNION EQUITY	DEER PARK, TX	06/23/92	PEC	CCIB	44,200.0
93-OC-8	11/05/92	2	NS	M DIG DEFECTS	CIUDAD DE GUAYAGUIL	CARGILL	CHANNELVIEW, TX	10/16/92	ECUADOR	IND. MOLINERA	24,003.0
93-OC-9	11/10/92	1	NS	MOCL CCL	MINALIS P	UNITED GRAIN	VANCOUVER, WA	10/16/92	KOREA	CHEIL FOODS	13,200.0
93-OC-10	11/12/92	2	NS	FM PROTEIN	AMERICAN GULF I	PEAVET	PAULINA, LA	10/04/92	GUATEMALA	MOLINOS MOOREBOS	12,730.0
93-OC-11	11/16/92	2	NS	PROTEIN	OCEAN WAVE	UNITED GRAIN	VANCOUVER, WA	06/04/92	JAPAN	KANBATSU COMP.	19,999.0
93-OC-12	11/16/92	2	MMH	IRON FLAOS	LESTE	COLUMBIA GRAIN	PORTLAND, OR	09/02/92	JAPAN	KANBATSU COMP.	19,999.0
93-OC-13	12/01/92	2	NS	PROTEIN	KIMO SU HAI	CARGILL T-4	PORTLAND, OR	10/01/92	MALAYSIA	SEBERANG FLOUR	4,101.0

DATE OF PRINTOUT: 3/18/94

## SUMMARY OF FOREIGN COMPLAINTS RECEIVED DURING FY 1993

## GRAIN QUALITY DISCREPANCIES

RECEIPT FILE NO.	DATE	GRADE	QRM	NATURE OF COMPLAINT	VESSEL	ORIGIN ELEV.	CITY, STATE	DATE LOADED	DEST.	COMPL. AMOUNT	WEIGHT TONS
93-OC-14	12/07/92	2	TC	M INFESTATION	MADONNA LILY	CONTINENTAL	WESTWEG, LA	09/15/92	TAIWAN	KAMMATSU CORP.	55,750.0
93-OC-15	12/21/92	2	NEW	INFESTATION	ONT SACRAMENTO	UNION EQUITY CAROILL	DEER PARK, TX CHANNELVIEW, TX	11/30/92 11/24/92	LATVIA	MIN OF AG	11,164.0 31,500.0
93-OC-16	12/22/92	2	NEW	INFESTATION RUST PROTEIN M	ULTRAMAX	UNION EQUITY	DEER PARK, TX	10/31/92	ESTONIA	MIN OF AG	22,639.0
93-OC-17	12/23/92	2	SRW	INFESTATION	MIROSLAWISC	LOC	RESERVE, LA	11/06/92	POLAND	AG MET. AGENCY	27,240.0
93-OC-18	01/07/93	2	MS	DKO	BARBARA M	PEAVEY	PAULINA, LA	11/14/92	COLOMBIA	HABIESA DEL VALLE	12,087.0
93-OC-19	12/22/92	2	TC	M BCPM	ULTRAMAX	ADM/GEOMARE	ANA, LA	11/10/92	ESTONIA	MIN OF AG	37,777.0
93-OC-20	01/14/93	3	TC	M BCPM	RIBERA	CAROILL	RESERVE, LA	11/16/92	SPAIN	PEREZZI IBERICA	33,329.0
93-OC-21	01/29/93	1	TSB	FM DKT SPLITS	CARAVOS TEADER	MFP	MYRTLE GROVE, L	10/25/92	INDONESIA	BULOG	20,999.0
93-OC-22	02/04/93	2	SRW	PEST. RES.	SAMIT MANNA	COLUMBIA GRAIN	PORTLAND, OR	12/23/92	KOREA	MIN. OF HEALTH	11,069.0
93-OC-23	01/29/93	2	NEW	INFESTATION PROTEIN DKO	CHEMNAI VALARCHI	CONTINENTAL	BEAUMONT, TX	11/13/92	INDIA	MIN. OF FOOD	34,300.0
				INFESTATION	VITESSA	UNION EQUITY	DEER PARK, TX	11/13/92			20,000.0
				INFESTATION	JAO VIJAY	CAROILL	CHANNELVIEW, TX	12/05/92			22,318.0
				INFESTATION	CHEMNAI PERMAL	UNION EQUITY	DEER PARK, TX	12/09/92			35,468.0
				PROTEIN DKO							
93-OC-24	02/16/93	2	TC	BCPM	AIS NIKOLAS	CAROILL	RESERVE, LA	01/17/93	ECUADOR	HOLLAND CRAMPTON	16,437.0
93-OC-25	02/19/93	1	WHC	DKT BCPM	ASHLEY	ADM/GEOMARE	ANA, LA	01/23/93	VENEZUELA	DISPERAS POLAR	3,955.0 2,321.0

## SUMMARY OF FOREIGN COMPLAINTS RECEIVED DURING FY 1993

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## GRAIN QUALITY DISCREPANCIES

FILE NO.	RECEIPT DATE	GRADE	QPM	NATURE OF COMPLAINT	VEHICLE	ORIGIN ELEV.	CITY, STATE	DATE LOADED	DEBT.	COMP/ANALYST	VALUE
93-OC-26	03/01/93	2	YC	N SCPM	ORO ENGIN	MOBILE PUBLIC	MOBILE, AL	01/05/93	SAUDI ARABIA	ABACO	55,002.0
93-OC-27	03/11/93	2	HEW	INFESTATION WEED SEED DTT	GLOBE TRADER	CONTINENTAL	BRAMMONT, TX	02/17/93	MACEDONIA	COYT OF MACEDONIA	10,000.0
93-OC-28	03/18/93	2	YC	SCPM	ULTRASEA	ADM/GROMARK	AMA, LA	12/20/92	ZIMBABWE	GRAIN MT BOARD	37,997.0
93-OC-29	03/18/93	3 4	YC	MT	15 RAILCARS	DELTA FARMERS	POSTORIA, OH	02/12/93	CANADA	ADM AGRI-IND.	1,314.6
93-OC-30	04/05/93	3	YC	N DTT SCPM	TOWN AMERICA	CLAYTON	BALTIMORE, MD	01/20/93	C. D'IVOIRE	GRAIN MERCEMERS	7,669.0
93-OC-31	04/12/93	2 3	YC	SCPM	GOLDEN MONARCH	ZEE-MON	CONVERT, LA	02/15/93 02/16/93	EGYPT	SETI GRAIN CO.	20,998.0 36,747.0
93-OC-32	04/24/93	2	YC	MT DTT SCPM	AFROS TYONNE NO. 5 MAYA FARRIS ANNE	CARGILL BURGE CONTINENTAL	RESERVE, LA DESTERHAM, LA WESTWOOD, LA	01/15/93 02/16/93 09/11/92 09/27/92	VENEZUELA	PROTIAL	23,339.0 23,512.0 2,376.0 21,042.0
93-OC-33	04/27/93	2	SNW	SKO	TOUSOUFFA	BURGE	DESTERHAM, LA	03/04/93	COLOMBIA	CONSEJERIAS LA ROSA	8,500.0
93-OC-34	04/27/93	2	HEW	QUALITY	AMERICAN GULF 3-4 KAYAX OMI SACRAMENTO	UNION SOUTT CONTINENTAL UNION SOUTT	DEER PARK, TX STOCKTON, CA DEER PARK, TX	01/13/93 08/23/92 08/13/92	BOLIVIA	BOLIVIAN FLOUR MILLERS	15,600.0 36,225.0 36,225.0
93-OC-35	04/28/93	3	YC	SCPM	BULK TOPAZ	LOCUST POINT	BALTIMORE, MD	03/28/93	JORDAN	MIX. OF SUPPLY	49,580.0
93-OC-36	05/20/93	1	SNW	PEST. RES.	SAMMI BLONDE	UNITED GRAIN	VANCOUVER, WA	04/01/93	KOREA	MIX. OF SEALITE	1,501.0
93-OC-37	06/10/93	2	DMS	PROTEIN	HYUNDAI NO. 15	UNITED GRAIN	VANCOUVER, WA	04/15/93	THAILAND	UNITED FLOUR MILLS	17,670.0
93-OC-38	06/16/93	3	YC	MT DTT SCPM	MAGUARI	LOCUST POINT	BALTIMORE, MD	05/05/93	LITHUANIA	MIX. OF MS.	37,630.0
93-OC-39	07/02/93	2	MS	PROTEIN	GOLDEN POLYDIPANOS	PELVET	PAULINA, LA	06/02/93	VENEZUELA	MOSACA	36,084.0

DATE OF PRINTOUT: 5/16/94



## SUMMARY OF FOREIGN COMPLAINTS RECEIVED DURING FY 1993

## GRAIN QUALITY DISCREPANCIES

FILE NO.	RECEIPT DATE	BRDGE	GRN	NATURE OF COMPLAINT	VESSEL	ORIGIN ELEV.	CITY/STATE	DATE LOADED	DEST.	COMP/AMOUNT	WET/HC TONS
93-OC-40	07/15/93	2	TC	BCFN	OCEAN PEARL CELTIC LIGHT	PEABY	KALAMA, WA	02/04/93 01/15/93	KOREA	KOCTA	52,740.0 52,107.0
93-OC-41	07/13/93	2	MS	PROTEIN	GALLANT	CARROLL T4 COLUMBIA GRAB	PORTLAND, OR	03/26/93 03/30/93	THAILAND	UNITED FLOUR MILL	12,400.0 5,131.0
93-OC-42	07/29/93	2	TC	MOLD M DET FUNGUS	OMI SACRAMENTO	ADM/GEOMARK	AMA, LA	06/27/93	BOYF	MAT. CO. FOR MATR	36,161.0
93-OC-43	07/29/93	2	TC	ODOR BCFN	APTEA	CARROLL	RESERVE, LA	04/10/93	ANGOLA	USALD	16,777.0
93-OC-44	08/13/93	2	YSB	FN	FORUM ALABAMA	ZEP-HOE	CONVENT, LA	05/29/93	PRC	CERDILPOOD	31,500.0
93-OC-45	08/31/93	2	TC	DET BCFN DET BCFN	ALPHA STAR MUDJANO	CONTINENTAL	WESTWOOD, LA	04/12/93 06/26/93	SAUDI ARABIA AL-HATATIA	96,576.0 69,002.0	
93-OC-46	08/25/93	2	TC	MT DET BCFN	VIRGINIA	LDC	RESERVE, LA	06/23/93	PERU	PORT AUTHORITY	19,901.0
93-OC-47	08/30/93	2	NEW	FN SHB CCL WOCL INFESTATION	OLMECA	CARROLL	RESERVE, LA	08/08/93	CHILE	DINSA	16,000.0
		2	SEM	INFESTATION		BUNGE	DESTERHAM, LA	07/23/93			11,492.0
		2	NEW	FN SHB CCL WOCL INFESTATION	SELMOR	CARROLL	RESERVE, LA	08/05/93			16,940.0
		2	SEM	INFESTATION		BUNGE	DESTERHAM, LA	07/26/93			19,298.0

# SUMMARY OF FOREIGN COMPLAINTS RECEIVED DURING FY 1993

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## GRAIN QUALITY DISCREPANCIES

FILE NO.	RECEIPT DATE	GRADE	QPM	NATURE OF COMPLAINT	VESSEL	ORIGIN ELEV.	CITY, STATE	DATE LOADED	DEST.	COMPLAINT	QTY. (MTS)
93-0C-48	08/08/93	2	MS	PROTEIN DNG FM DEFECTS	BOULSAI LINA	UNITED GRAIN LUC	VANCOUVER, WA PORTLAND, OR	06/13/93 06/17/93	INDONESIA	BOULSAI FLOUR MILLS	37,885.0 2,566.0
TOTAL MATTHEWSONS LTD.											40,451.0

DATE OF PRINTOUT: 3/18/94

## SUMMARY OF FOREIGN COMPLAINTS RECEIVED DURING FY 1993

## WEIGHT DISCREPANCIES

FILE NO.	RECEIPT DATE	GRADE	GROSS WT.	NATURE OF COMPLAINT	VESSEL	ORIGIN ELEV.	CITY, STATE	DATE LOADED	DEST.	COMPLAINT	TOTAL MTG TONNAGE	TOTAL MTG TONNAGE
93-WC-1	10/29/93	2	SNW	SHORT WT.	GOLDEN POLYDIMAS	CARROLL	RESERVE, LA	07/11/93	COLOMBIA	COMESTIBLES LA ROSA	8,000.0	8,000.0
93-WC-2	06/10/93	2	SNW	SHORT WT.	A. ALAMDALE	COLUMBIA GRAIN	PORTLAND, OR	03/19/93	KUWAIT	KUWAIT FLOUR MILLS AND BAKERIES CO.	9,768.0	9,768.0
		2	MS					03/20/93			14,466.0	14,466.0
											TOTAL MTG TONNAGE	32,534.0

KEY

File No.	- The FGIS case number assigned to each discrepancy reported.
Receipt Date	- The date FGIS receives the discrepancy report.
Grde	- The certified quality of the grain at the time of export.
Gm	- The type or class of grain involved in the discrepancy.
DNS	- Dark Northern Spring wheat
HRW	- Hard Red Winter wheat
NS	- Northern Spring wheat
SRW	- Soft Red Winter wheat
SWH	- Soft White wheat
WWH	- Western White wheat
YC	- Yellow corn
WHC	- White corn
YSB	- Yellow soybeans
Nature of Complaint	- The quality factors involved in the discrepancy.
AN. FILTH	- Animal filth
BCFM	- Broken corn and foreign material
CCL	- Contrasting classes of wheat
DEFECTS	- Total defects
DKG	- Dockage
DKT	- Damaged kernels total
FM	- Foreign material
FN	- Falling Number
HT	- Heat-damaged kernels
M	- Moisture
OIL RES.	- Oil residue
PEST. RES.	- Pesticide residue
SHBN	- Shrunken and broken kernels
WOCL	- Wheat of other classes
Vessel	- The type of carrier or name of vessel transporting the cargo.
Origin Elevator	- The name of the facility that loaded the cargo.
City, State	- The location of the loading facility.
Date Loaded	- The date the cargo completed loading.
Dest	- The destination of the cargo.
Complainant	- The person lodging the discrepancy.
Metric Tons	- The total tonnage of the cargo involved in the discrepancy.



Mr. DURBIN. Last year there were several reports in the press about potential problems related to adding water to grain. What did your investigation conclude? Congress took some action last year. Bring us up to date on what is happening related to water added to grain.

RESPONSE. In the August 4, 1993, Federal Register (58 FR 41439), the Federal Grain Inspection Service (FGIS) proposed to revise the regulations under the U.S. Grain Standards Act (USGSA) to prohibit the application of water to grain. This prohibition would be applicable to all persons handling grain, not just those receiving official inspection and weighing services under the USGSA.

On September 9, 1993, the Senate Subcommittee on Agricultural Research, Conservation, Forestry, and General Legislation conducted a hearing to examine the use of water for dust control purposes in the grain industry. The House Subcommittee on General Farm Commodities conducted a hearing on this issue on October 7. Both subcommittees drafted amendments to the FGIS' Reauthorization bill concerning water usage, but these amendments were subsequently dropped. No legislative action is pending at this time.

The comment period on FGIS' proposed rule closed December 2, 1993. (FGIS received 343 comments.) FGIS is currently preparing a final rulemaking action. This final action is planned for publication by July 1, 1994.

Action with respect to USDA's Office of Inspector General's investigation in this matter is still pending at this time.

#### CONFLICT-OF-INTEREST

Mr. DURBIN. Your explanatory notes show that you received 23 conflict-of-interest situations for evaluation involving licensed personnel. What was the resolution to these conflict-of-interest evaluations?

RESPONSE. FGIS addressed the 23 conflict-of-interest situations as follows:

A. Granted exceptions to 15 official agency employees (13 licensees, 1 secretary, and a State Department of Agriculture Director). In these situations, FGIS determined that the existing conflict did not jeopardize the integrity of the official inspection system. Some examples of these situations are as follows:

- The agency employee or a relative owns small amounts of stock in a local grain cooperative;
- The agency employee or a relative works part-time in non-managerial positions at grain marketing facilities; and
- The agency employee or a relative is involved in some capacity in grain-related activities.

Conditions are placed on all exceptions depending on the situation. One condition generic to all exceptions is that they are monitored closely by the official agency and the FGIS field office.

B. Determined that five situations did not constitute a conflict-of-interest.

C. Responded to two inquiries regarding possible conflict situations; however, these situations never materialized.

D. Denied an exception for one licensee conflict situation.

Mr. DURBIN. At the beginning of fiscal year 1993, five agencies had been granted discretionary conflict-of-interest waivers. What are the status of these waivers? Under what circumstances do you allow an agency or personnel to operate when there is the possibility of conflict-of-interest?

RESPONSE. FGIS approved the establishment of subsidiary corporations or trust agreements to separate the official services from the grain trade-operated boards of trade which had provided these services. Such arrangements minimized the potential for conflict.

Four of these agencies continue to provide service under these arrangements:

- Memphis Grain Inspection Service
- Little Rock Grain Exchange Trust
- Los Angeles Grain Inspection Service
- Lincoln Inspection Service

FGIS closely monitors these agencies and annually reports on their status. The policy for granting waivers to these agencies, or to persons, is based on whether the integrity of the official inspection system would be jeopardized.

Mr. DURBIN. How many of the 12 cases involving alleged violations of the United States Grain Standards Act and the Agricultural Marketing Act occurred at the designated agencies that have been granted discretionary conflict-of-interest waivers?

RESPONSE. None of the cases occurred at the designated agencies that were granted discretionary conflict-of-interest waivers.

## CIVIL PENALTIES

Mr. DURBIN. Have there been any civil penalties assessed relative to deceptive practices under the United States Grain Standards Act or the Agricultural Marketing Act during fiscal year 1993?

RESPONSE. Yes, two cases under the USGSA and none under the Agricultural Marketing Act. FGIS assessed a \$3,000 penalty against a grain firm for deceptively loaded highly damaged grain on the bottom of railcars. The other penalty involved a grain firm that loaded winter wheat on the bottom of railcars loaded with spring wheat. FGIS assessed the firm a \$34,000 civil penalty. However, since the firm went out of business, the penalty was suspended and is being held in abeyance provided the firm does not violate the USGSA before January 1, 1996.

## ECONOMIC RESEARCH SERVICE GRAIN CLEANING STUDY

Mr. DURBIN. Last year, during the hearings, we discussed that FGIS had spent over \$925,000 on an Economic Research Service grain cleaning study. Please provide for the record a breakdown of these expenses by fiscal year. What is the status of this project?

RESPONSE.

*Grain cleaning study estimated expenses*

Fiscal year:	Amount
1990 .....	\$249,866
1991 .....	428,316
1992 .....	246,721
Total .....	924,903

The wheat and corn reports were completed by the Economic Research Service on June 28, 1993 and February 16, 1994 respectively. The report for sorghum is projected to be completed in September, 1994. The barley and soybean reports are projected to be completed by December, 1994.

Mr. DURBIN. You reported that the results of the wheat study concluded that cleaning all wheat for export is not economically feasible. What are the results for corn, soybeans, sorghum, and barley?

RESPONSE. The wheat report concluded that cleaning all U.S. wheat for export above and beyond the current level is not economically feasible. The costs of cleaning at the lowest net-cost location, i.e., subterminal elevators for winter wheat and country elevators for spring wheat, would outweigh benefits by at least \$8 million per year in the short run. The economic benefits of selling clean wheat in international trade markets would total \$13 million in premium benefits and \$2 million in trade effects, but would not compensate for the domestic net costs of, at a minimum, \$23 million.

The corn report concluded that the cost of cleaning corn above and beyond the current level at the least-net-cost location, both inland subterminals and river elevators, exceeds all benefits by \$49 million. Costs of additional cleaning exceeded benefits in both domestic and international markets at all points in the production-marketing system. Corn price, instead of quality, was regarded as the most important criterion in importers' purchase decisions in most importing countries included in this study. The best approach to address the corn cleanliness issue is to reduce breakage susceptibility in corn, through careful selection of drying systems and developing genotypes or hybrid varieties less prone to breakage.

Reports on the costs and benefits of cleaning barley, sorghum, and soybeans are expected to be completed during fiscal years 1994 and 1995. More specifically, the completion dates are projected as follows: Wheat, June 28, 1993 (complete); Corn, February 16, 1994 (complete); Sorghum, September 1994; Barley, December 1994; and soybeans, December 1994.

## COMMITTEE ON GRAIN QUALITY

Mr. DURBIN. For the record, please provide some details on the activities of the Committee on Grain Quality.

RESPONSE. The Committee on Grain Quality, and the Grain Quality Coordinator, were provided for in Title 20, Grain Quality, of the Food, Agriculture, Conservation, and Trade Act of 1990. The Committee is charged with providing information and advice on grain quality issues to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. Members serve in collateral duty capacities. Committee members, including the chairman, are from the Federal Grain Inspection Service; Agricultural Marketing



Service; Agricultural Research Service; Agricultural Stabilization and Conservation Service; Animal and Plant Health Inspection Service; Economic Research Service; Extension Service; Foreign Agricultural Service, and National Agricultural Statistics Service.

The Committee is guided by a charter that is an approved USDA regulation (Departmental regulation 2400-6, dated July 28, 1992). The Committee provides a valuable forum for communication among USDA agencies involved in grain quality-related activities. The Committee has developed a report on USDA's roles in grain quality, on an agency by agency basis.

In 1992, Committee members met with Senator Tom Daschle, at his request. Attendees included representatives of the Agricultural Research Service, the Agricultural Stabilization and Conservation Service, FGIS, the Economic Research Service, and the Extension Service. During the course of the meeting, attendees briefed the Senator on the Committee's work and on member agencies' roles in the area of grain quality.

Currently, the Committee is exploring importers' concerns related to sanitary and phytosanitary issues. A white paper is being finalized on this issue.

Mr. DURBIN. Last year, Mr. Gallart reported that a subcommittee of the Committee on Grain Quality was exploring U.S. purchase of Canadian durum wheat. The U.S. exports close to one-third of all wheat worldwide. Why are we exploring buying wheat from Canada?

RESPONSE. The subcommittee explored the relationship, if any, between wheat quality and increased imports of Canadian wheat to U.S. domestic markets. The subcommittee found no evidence that increased imports of Canadian Durum or Spring wheats into the United States are directly due to grain quality. Rather, the imports appear to be the result of market price differentials, exchange rates, and the restructuring of the U.S.-Canada market boundary due to the U.S.-Canada Free Trade Agreement and the North American Free Trade Agreement.

#### NEW EQUIPMENT

Mr. DURBIN. For the record, please update the table that appears on page 224 of last year's hearing record, showing a list of all new equipment purchases that you anticipate making during fiscal year 1994 and 1995.

RESPONSE.

##### Fiscal year 1994:

	Amount
Micro-computer equipment/software .....	\$399,000
Single kernel hardness equipment .....	104,000
High performance liquid chromatography .....	70,000
NIRT instrument repair parts .....	30,000
Vacuum oven with pump for moisture determinations .....	10,000
Grain disposal bin and auger system .....	8,000
Evaporator .....	6,000
Sample grinder .....	5,000
Total .....	632,000

##### Fiscal year 1995:

Micro-computer equipment/software .....	239,000
Instruments for objective wheat classification system (5) .....	100,000
Super-critical fluid extraction equipment for oil measure .....	35,000
Alpha-amylase analyzer .....	6,000
Undistributed .....	250,000
Total .....	630,000

Mr. DURBIN. At last year's hearing, it was stated that implementation of the Grain Quality Incentives Act—GQIA—of 1990 was not yet complete. Several items in your action plan to implement GQIA were scheduled to be completed during last fiscal year and this fiscal year. Some things that were going to be done were: adopt specifications, tolerances, and test procedures; initiate National Conference on Weights and Measures—NCWM—evaluation of moisture equipment; develop calibration maintenance program; and initiate a calibration maintenance program. How much progress has been made on these items?

RESPONSE. There has been substantial progress on this program in the past year. The implementation schedule is essentially unchanged since last year. The National conference on Weights and Measures adopted the revised Handbook 44 Moisture Meter code—including specifications and tolerances—during the organization's annual meeting in July 1993. The Technical Sectors dealing with Grain Moisture Me-

ters and NIRS Wheat Protein Analyzers completed the written test procedures for moisture meters and a proposed Handbook 44 NIRS Wheat Protein Analyzers Code.

Several manufacturers have submitted or have stated their intent to submit grain moisture meters for evaluation. The actual testing will begin in April 1994. Some manufacturers are still working on design changes or validation of those changes prior to submitting their instruments for testing. The Grain Moisture Meter Technical Sector has worked out most of the details regarding the calibration data collection program, however, there remains some concern about the funding of that program. The proposed Handbook 44 NIRS Wheat Protein Analyzers Code has been given to the National conference on Weights and Measures for possible adoption at its annual meeting in July 1994. If the Conference adopts that code, FGIS expects to begin evaluating and collecting calibration data for commercial NIRS wheat protein analyzers during fiscal year 1995.

Mr. DURBIN. I recently read a report that, as a result of the NCWM evaluation, none of the dielectric type moisture meters in use today can be used after the new standards go into effect. What will it cost FGIS to implement this recommendation? How many instruments will be needed? Have you budgeted for this in fiscal year 1995?

RESPONSE. There has been some confusion about the impact of the NCWM standards on the official and the unofficial moisture measurement programs. Non-National Type Evaluation Program (NTEP) approved moisture meters may not be sold after January 1, 1998; however, instruments that are in service may be used until January 1, 2003. FGIS intends to implement an NTEP-approved moisture meter for official use sometime before January 1, 2003.

The primary cost for implementing a new official moisture meter would be the purchase price of new instruments. The cost of developing calibrations for a new official moisture meter would be essentially the same as the existing program of updating calibrations on the current official moisture meter. FGIS has approximately 225 official moisture meters in use. The anticipated prices of NTEP-approved moisture meters range from \$3,000 to \$35,000.

Mr. DURBIN. The report also stated that the instruments must be calibrated annually. How much will this cost? Have you budgeted for this in fiscal year 1995?

RESPONSE. FGIS currently conducts an annual calibration evaluation/update program for the official moisture meter model. This program is budgeted at approximately \$110,000 for fiscal year 1995. FGIS estimates that the total additional cost of providing calibration data collection of up to ten NTEP-approved unofficial moisture meter models would be \$120,000. The incremental cost per moisture meter model is much lower than the cost for the official model because much of the cost of gathering, preparing, and analyzing the samples would not have to be repeated for additional models. Also, the cost for the official model is higher than for unofficial moisture meter models because FGIS actually performs the statistical analyses to generate the calibrations for the official model. Manufacturers would generate calibrations for unofficial models based on the data supplied to them. FGIS is looking to the National Institute for Standards and Technology—the sponsoring Agency for the NCWM—to arrange funding for the calibration data collection for NTEP-approved moisture meters. Alternatively, meter manufacturers may be charged fees to fund on-going calibration support for unofficial moisture meters.

#### AFLATOXIN TESTING

Mr. DURBIN. For the record, please update the table that appears on page 224 of last year's hearing record, showing the number of requests for aflatoxin testing by FGIS.

RESPONSE.

#### *Aflatoxin Inspections*

Fiscal year:

1989 .....	49,171
1990 .....	60,867
1991 .....	48,317
1992 .....	59,372
1993 .....	59,901

#### BUDGET REQUEST

Mr. DURBIN. What was your budget request to the Secretary, what was the Secretary's request to OMB, and what was the OMB allowance?

RESPONSE. For the appropriated account, the FGIS budget request to the Secretary was for \$11,533,000; the Secretary's request to OMB was for \$6,342,000 with



an additional \$5,021,000 to be collected in new user fees for standardization activities; and the OMB allowance was for \$11,325,000 with the \$5,021,000 to be proposed in legislation for new user fees for standardization activities. For the Inspection and Weighing trust fund account, all three requests were for the limitation to remain at \$42,784,000.

#### MERGER

Mr. DURBIN. How will the proposed merger of the Federal Grain Inspection Service into the new Grain Inspection, Packers and Stockyards Administration impact your operations? How many people will you lose?

RESPONSE. Merging the activities of the Federal Grain Inspection Service and the Packers and Stockyards Administration will have minimal impact on program delivery because the program activities of each will be administered by separate Deputy Administrators under current plans for implementing the reorganization. The proposed consolidation will produce savings in administrative overhead costs. At least one senior-level position will be eliminated.

DAVID R. SHIPMAN  
Federal Grain Inspection Service  
Field Management Division

Mr. Shipman has been with the Federal Grain Inspection Service (FGIS) since 1976. He currently serves as Acting Administrator, FGIS. He manages a national grain inspection and weighing system consisting of Federal, State, and private agencies. He also manages a testing program for processed products, such as, cornmeal, vegetable oil, and crackers. Government purchases of grain-related foodstuff for the military, school lunch program, and various other activities are frequently tested by FGIS for quality and wholesomeness.

Mr. Shipman serves as the Alternate U.S. Delegate to the CODEX Committee on Cereals, Pulses, and Legumes. He also serves as coordinator for the USDA Grain Quality Committee.

Mr. Shipman earned a B.S. degree in agriculture and natural resources from the University of Connecticut in 1976. He is married, has three children, and resides in Herndon, Virginia.

**FEDERAL GRAIN INSPECTION SERVICE**

Statement of David R. Shipman, Acting Administrator, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to acquaint you with the activities of the Federal Grain Inspection Service (FGIS).

**Mission**

In accordance with the United States Grain Standards Act (Act) and the Agricultural Marketing Act of 1946 (AMA), FGIS manages a national inspection and weighing program for grain, oilseeds, beans, peas, rice, lentils, and processed grain products. Specifically, FGIS facilitates the marketing of these crops by:

1. Establishing official U.S. grading standards and testing procedures for eight grains (barley, corn, oats, rye, sorghum, triticale, wheat, and mixed grain), and four oilseeds (canola, flaxseed, soybeans, and sunflower seed) under the Act; and for rice, lentils, dry peas, hops, and a variety of edible beans under the AMA.

2. Providing the agricultural industry with a uniform national inspection and weighing system that applies the official grading and testing standards and procedures in a uniform, accurate, and impartial manner.
3. Inspecting and weighing all exported grain and oilseeds, with a few minor exceptions, that have standards under the Act. Domestic grain shipments, grain imported into the United States, and crops with standards under the AMA are inspected and weighed only upon request.
4. Monitoring certain grain handling practices to prevent the deceptive use of the grading standards and official inspection and weighing results and the degradation of grain quality through the introduction of foreign material, dockage, or other nongrain material to grain.

Through these permissive and mandatory programs, FGIS promotes efficient and effective marketing of U.S. grain and other commodities from farmers to domestic and foreign end users.



## Export and Import Requirements

FGIS' responsibility differs for exported and imported grain. All grain exported from the United States, with a few exemptions, is officially inspected and weighed by FGIS or a State agency that is delegated authority by FGIS to provide official service. Grain exported to Canada or Mexico by land is exempt from inspection and weighing, as are grain not sold by grade, and grain handled by exporters who ship less than 15,000 metric tons annually. Additional quality tests, such as wheat protein determinations, also are provided upon request.

FGIS is not responsible for ensuring that exports comply with an importing country's phytosanitary requirements or food safety regulations. Those responsibilities lie with the Animal and Plant and Health Inspection Service (APHIS) and the Food and Drug Administration (FDA), respectively. FGIS provides both APHIS and FDA with inspection results to assist them in carrying out their missions.

FGIS inspects or weighs imported grain only upon request. APHIS and FDA monitor imports to ensure compliance with applicable phytosanitary and food safety regulations. If FGIS does fulfill a request to inspect imported grain, we share our findings with APHIS and/or FDA, as appropriate.

### Organization

FGIS is an agency under the Assistant Secretary for Marketing and Inspection Services of the U.S. Department of Agriculture. The Agency is comprised of 698 total staff years, including full-time and temporary or intermittent employees. FGIS employees are located at the Washington, D.C. headquarters unit; the Technical Center in Kansas City, Missouri; or at one of 33 field locations (21 field offices, 2 Federal/State offices, and 10 suboffices).

Federal personnel work with over 2,000 State and private inspectors to provide high-quality inspection and weighing services to the public on a user fee basis. Federal inspectors service 49 export elevators located in the States of Georgia, Illinois, Indiana, Louisiana, Maryland, New York, Ohio, Oregon, and Texas. A small Federal staff also provides service at six export elevators in Eastern Canada for U.S. grain transshipped through Canadian ports. Eight delegated States service an additional 21 export elevators, located in Alabama, California, Minnesota, Mississippi, South Carolina, Virginia, Washington, and Wisconsin. Seventy-one designated agencies -- 11 designated States, 8 delegated States, and 52 private companies -- service the domestic market under FGIS supervision.

This unique mix of Federal, State, and private inspection agencies serves the industry. State and private agencies typically provide over 2.2 million inspections annually. In 1993, this figure reached 2.6 million, representing an estimated 149.3 million metric tons (MMT) of grain and oilseed. On the export side, FGIS and delegated States inspected and weighed 106.7 MMT in 1993.

Market conditions continuously necessitate altering the structure and staffing levels of the national inspection system. Over the years, FGIS has improved service efficiency by using advances in technology, such as monitoring elevator operations with closed circuit television, automating bulk weighing scales and grain handling systems, and using new rapid objective testing procedures. Considerable change also has occurred in the industry. Large grain companies absorb smaller independent merchandisers and processing plants. This increases intracompany transactions which means fewer ownership changes between farmer and the final end user. As the number of transactions decreases, the number of inspections needed to determine the quality of grain decreases. There also has been an industry trend toward greater in-house quality control, wherein the buyer and seller develop a customer confidence that supplants the need for an independent outside party, such as the official inspection system.

The organizational structure of the national inspection system has adapted and continues to adjust to market conditions. Over the past decade, FGIS has trimmed staffing levels from 939 staff years in 1983 to 802 in 1990 to 698 today. In addition, 9 field offices have been closed and consolidated, two have been downsized to a suboffice, and two closed and restructured as a Federal/State office. Most recently, we converted the Indianapolis and Chicago offices to suboffices, thereby cutting administrative overhead costs at these locations. Headquarters staffing levels also has been trimmed. Since fiscal year 1991, the Agency's headquarters administrative unit has been reduced from over 40 positions to 25 today.

During the remainder of fiscal year 1994 and into 1995, FGIS plans to further restructure our field operations. The precise details of the restructuring are being developed with the objective of streamlining operations and consolidating resources into fewer, but better-staffed and -equipped, field offices. These changes will improve customer service, enhance employee development, and reduce overall operating expenses. By May 23, 1994, we will submit to Congress a complete cost containment plan as required under section 15 of Public Law 103-156, U.S. Grain Standards Act Amendments of 1993.



### **USDA Reorganization**

The proposed reorganization of USDA includes a provision to combine FGIS with the Packers and Stockyard Administration (PSA) to form a new agency, the Grain Inspection and Packers and Stockyard Administration. One Administrator would be appointed by the Secretary of Agriculture to manage the new agency. A deputy administrator would be assigned to each of the two program areas. This organizational change would result in savings in the management and administrative areas. Both FGIS and PSA already contract with APHIS for personnel and administrative support services. This contracting has proven to be cost-effective for both agencies. Further contracting or consolidation would be expanded wherever possible to improve overall program efficiency.

### **Fiscal Year 1994 Budget**

In fiscal year 1994, the FGIS budget authorization is \$54 million, of which \$11 million is appropriated funding and \$43 million is user fees. The inspection and weighing user fee funding of the Agency is greatly influenced by market conditions.

For example, in fiscal year 1993, the Midwest flooding significantly impacted the movement of grain shipments and, consequently, the business of inspecting grain. Workloads shifted as companies sought alternative modes of transportation and market outlets. Inspection demand also varied as companies requested additional services to examine the quality of grain shipments that were delayed by the flooding.

The national inspection system was also challenged by atypical crop conditions that occurred in 1993. Sprout damage, vomitoxin, low test weight, aflatoxin, scab damage, and dryer damage placed added pressure on the inspection system to provide accurate and consistent results as companies sought market outlets for the wide variety of crop quality.

During the first four months of fiscal year 1994, trust fund expenditures exceeded revenue by \$787,000. Losses occurred in most program areas, including the export inspection and weighing program; the oversight of domestic inspection agencies; the inspection of rice; and the inspection of beans, peas, lentils, and processed products. Most of the loss is due to a decline in business. Through the first four months of fiscal year 1993, FGIS inspected and weighed 43.6 million metric tons (MMT) of grain. During the first four months in fiscal year 1994, 36.3 MMT were officially inspected and weighed. This represented a 16.8 percent decline in volume and a 12.5 percent drop in revenue from FY 1993 levels. We are currently evaluating all program activities and will institute the necessary steps to balance cost and revenue.

The main factor impacting on FGIS' financial status from year to year is the level of exports. Typically \$22 million or 65 percent of the trust fund is devoted to providing inspection and weighing services to the export market. Fiscal year 1993 was an average year for the last decade, with exports totalling 106.7 million metric tons. However, the forecast for fiscal year 1994 is only 89.9 million metric tons, the second lowest level in a decade.

#### Fiscal Year 1995

The total Agency budget for fiscal year 1995 is \$54.1 million operating authority, with \$11.3 million for salaries and expenses and \$42.8 million for ongoing user fees. Legislation has been proposed to shift \$5 million for standardization activities from appropriations to user fees. Appropriated funds would support compliance activities and methods development. Compliance activities involve the review of delegated and designated agencies, the investigation of violations, licensing of official agency personnel, and maintaining an international monitoring program which interacts with foreign governments and trade teams and responds to complaints concerning the quality and quantity of U.S. grain shipments. Methods development involves applied research or testing that produces new techniques for measuring grain quality.

Authorizing legislation will be submitted that would permit standardization activities, estimated to be \$5 million in fiscal year 1995, to be financed by user fees. Standardization activities involve developing grading standards for a variety of commodities, and maintaining a national quality control and assurance program. These activities directly benefit the grain shipping industry, which make them appropriate activities to be financed by fees rather than tax dollars. User fees to support standardization activities will be a combination of new fees and an increase in current inspection fees. Based on FY 1993 revenue, inspection fees could increase around 15 percent to cover the standardization activities. Savings realized due to the restructuring and streamlining of operations will help offset the need for these fee increases.

#### Current Activities

FGIS remains committed to providing the highest quality service to the grain and commodity industries, from farmer to end user and all those in between. This means we must continually focus on and meet the needs of all factions of the industry. Examples of how this is being accomplished include the following.



### Quality Control and Assurance

We are re-examining our national quality control and assurance program in an effort to streamline operations and improve service. This includes surveying customers to better understand their service needs.

We are promoting front-line quality control by providing line inspectors and supervisors with the resources and skills needed to better measure performance and optimize limited resources. Each quality control function at the Technical Center in Kansas City is being evaluated to determine whether it is essential and if the function can be accomplished more efficiently.

### Elevator Automation

We are working with the grain industry to integrate elevator automation initiatives with inspection and weighing activities. Automation of scale operations and the complete grain handling process provides more efficient and complete oversight of operations. These initiatives improve FGIS' service delivery and reduce elevator operating costs.

### Organizational Structure

As mentioned earlier, we are restructuring our organization to better carry out the Agency's mission. This process is designed to improve customer service, enhance employee development, and reduce operating expenses by streamlining operations and consolidating resources into fewer but better-staffed and -equipped offices.

### New Services

In response to industry needs, the Agency began providing vomitoxin testing services in 1993 and is preparing to provide pesticide residue testing for wheat. These service are funded by user fees.

The market expressed an immediate need for vomitoxin testing in 1993 as wheat and barley harvest began and concern over the presence of vomitoxin developed. In response, FGIS implemented a rapid, onsite testing service available nationwide, upon request. The service enables the industry to identify and properly handle affected grain.

The pesticide residue testing service results from an increasing interest by end users to test for the presence of pesticide residues. In 1992, FGIS began surveying wheat shipments for pesticide residues. Results to date indicate that the few residues present have been well below the EPA's tolerance levels. The service will initially test for 35 specific pesticides in wheat, and will be expanded to cover other grains in the future.

### U.S. Grading Standards

Periodically, we review the grading standards to ensure they remain responsive to market needs. The review process often lasts more than a year in order to provide all segments of the market an opportunity to evaluate the standards, offer suggested changes, and comment on proposed changes. We are currently at various stages of review on 9 of the 12 standards under the Act and for edible beans under the AMA. The reviews involving soybeans, barley, and corn are receiving the most industry attention. We do not anticipate significant discussion on or changes to the remaining grains, oilseeds, and commodities standards under review.

### Grain Cleaning Studies

The Grain Quality Title (XX) of the Food, Agriculture, Conservation, and Trade Act (FACT Act) of 1990, directed USDA to study the technical constraints and the economic costs and benefits associated with marketing grain with tighter cleanliness standards. To fulfill this mandate, FGIS entered into a reimbursable research agreement with the USDA Economic Research Service (ERS) to study the costs and benefits of cleaning wheat, corn, soybeans, sorghum, and barley. A final report on wheat was forwarded to FGIS in June 1993. Reports on the other grains are scheduled for release in 1994.

Over the years, there have been concerns that the quality of grains exported from the United States has reduced our competitiveness in the world markets. Advocates for cleaning grain argue that such action is necessary to maintain, if not increase, market share. Critics argue that improving the overall cleanliness of U.S. grain will increase marketing costs, reduce profits, and diminish U.S. competitiveness.

The ERS wheat report concludes that cleaning all U.S. wheat for export above the current level is not economically feasible because costs of the additional cleaning would outweigh benefits by at least \$8 million in the short run. The study found, however, that the wheat industry could potentially gain \$8 to \$10 million in net benefits if it targets wheat cleaning to cleanliness-conscious markets, which account for about 20 percent of all U.S. wheat exports.



### **Regulatory Review**

We are currently reviewing the regulations under both the Act and the AMA in an effort to eliminate unnecessary regulatory burdens; revise the regulatory provisions, as needed, to reflect the needs of today's market; and ensure that the regulations are as user-friendly as possible.

### **New Technology**

FGIS continues its commitment to expand the use of new technology to better measure grain quality. In the late 1970s, the introduction of near infrared reflectance (NIRR) technology allowed FGIS to offer a nationwide wheat protein testing program that provided producers, grain handlers, exporters, millers, and foreign buyers with market information never before available at local or national levels. In 1993, FGIS began the process of replacing its NIRR technology with a new whole-grain analyzer which uses near infrared transmittance (NIRT) technology. The new technology is expected to improve the overall consistency and reduce the operating cost of the national protein testing program without compromising the accuracy of results.

FGIS has also introduced the use of immunoassay technology into the national inspection system as an effective tool to test for the presence of mycotoxins.

The national inspection system currently uses this technology to test for aflatoxin and vomitoxin. This technology has the potential to broaden the testing capabilities into other areas beyond mycotoxins. For example, FGIS has sponsored research on the use of immunoassays to test for insect infestation.

After several years of joint research by FGIS and the Agricultural Research Service (ARS), a new instrument will be brought to market this year that has the potential to alter the way we view wheat quality. This instrument was developed at the urging of FGIS to help classify soft and hard wheats. The research has resulted in a device that can measure individual wheat kernel hardness, size, weight, and moisture. This previously-unavailable information will not only provide an objective way to classify wheat as hard or soft, but could also provide a means to better identify the value of wheat at the local market level. With a complete profile on the physical characteristics of wheat, it may be possible to more precisely predict the milling yield, a key factor governing its value.

### Proposed Water Prohibition

Over the years, the grain industry has voiced concerns about the potential grain quality degradation and market disruption due to the addition of water to grain. Many contend the primary purpose of applying water to grain is to increase its weight.

In August 1993, FGIS proposed prohibiting the addition of water to grain for purposes other than milling, malting, or similar processing operations. FGIS received 343 comments expressing mixed views on the proposal. We expect to publish a final rule later this year.

### Conclusion

In conclusion, FGIS serves American agriculture by providing official grading standards and a uniform nationwide inspection and weighing system to facilitate fair and orderly trade.

We continually adapt our services to changing domestic and international marketing practices and technologies. The service provided to the market is accurate, consistent, and cost effective. Producers, grain merchants, processors, and the general public benefit from the services provided by the national inspection and weighing system.

## FEDERAL GRAIN INSPECTION SERVICE

Purpose Statement

The Federal Grain Inspection Service (FGIS) was established on November 20, 1976, pursuant to the U.S. Grain Standards Act (USGSA), as amended (Public Law 94-582). In 1977, it was amended to provide appropriated funding for field supervision. The Omnibus Budget Reconciliation Act of 1981 amended the USGSA to require user fee funding to support supervision and administration of the inspection and weighing programs previously covered by appropriations. Authority to collect user fees for supervision and administration activities and authority to invest retained earnings in interest-bearing accounts has been extended through September 2000.

The 1981 amendments also established an FGIS Advisory Committee to provide advice to the Administrator of FGIS on the implementation of the USGSA. Programs supporting the Grain Quality Improvement Act (GQIA) of 1986 continue. The Grain Quality Title of the Food, Agriculture, Conservation and Trade Act of 1990 supports continued expansion in this area.

The U.S. Grain Standards Act Amendments of 1993, signed into law on November 24, 1993, extends operations and authorizes appropriations for FGIS, provides increased flexibility, and enables FGIS to perform fee-based testing of commercial inspection and weighing equipment.

Inspection and weighing programs are also carried out under the authority of the Agricultural Marketing Act of 1946 (AMA), as amended. Programs under the AMA include the inspection and grading of rice, dry beans, lentils, dry peas, processed grain products, hops, and related commodities.

The mission of FGIS is to facilitate the marketing of grain, oilseeds, pulses, rice, and related commodities by: (a) establishing descriptive standards and terms, (b) accurately and consistently certifying quality, (c) providing for uniform official inspection and weighing, (d) carrying out assigned regulatory and service responsibilities, and (e) providing the framework for commodity quality improvement incentives to both domestic and foreign buyers. Through these permissive and mandatory programs, FGIS assists in advancing the orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and foreign buyers. FGIS, acting as an impartial third party, assures that the standards are applied and the weights are recorded in a fair and accurate manner, thereby facilitating domestic and foreign grain grading. Activities of the Agency are as follows:

1. Standardization and Quality Control Activities: Functions include developing, establishing, and maintaining uniform official grain and commodity standards. Developing and maintaining an agency-wide quality control, quality assurance, and related testing and training are included in this program area.
2. Compliance Activities: Activities ensure that the Agency operates in conformance with all requirements and procedures established by statute, regulation, instruction, or directive. The program ensures, through reviews, evaluations, and enforcement, if necessary, that the USGSA, and applicable provisions of the AMA, and regulations, procedures, and policies issued thereunder are implemented accurately and effectively. The international monitoring program which responds to complaints regarding quality and/or quantity of grain shipments abroad is also included in this program area.
3. Methods Development: Functions include applied research or tests that produce new or improved techniques for measuring grain quality. Examples include new knowledge gained through study of how certain variables such as particle size of ground material affects the variability of analyses and the comparison of different techniques for measuring sprout damage. The development of a new wheat classification system or evaluating prototype wheat hardness meters, and



better measurement techniques for pesticides, mycotoxins, and grain odor are included in this program area.

4. Inspection and Weighing Activities: The USGSA requires: (1) mandatory inspection and weighing services at export ports by FGIS or delegated State agency personnel; and (2) permissive inspection and weighing services at domestic locations by designated State and private agency personnel. The USGSA also requires FGIS to supervise all official inspection and weighing activities. Further, on a request basis, FGIS personnel perform inspection of rice and related commodities under the AMA and provide nationwide appeal inspection services.

The FGIS headquarters is located in Washington, D.C., and Kansas City, Missouri, with field activities located in 21 field offices, 2 Federal/State offices, and 9 suboffices in 20 States and Canada. As of September 30, 1993, FGIS employment totaled 646 full-time permanent employees and 104 part-time temporary and intermittent employees. Of the total, 146 full-time employees were located at headquarters while the remaining 500 full-time employees and 104 part-time and intermittent employees were assigned to field locations. The costs of nearly all field services and most headquarters activities are financed from fees charged for services performed. User-fee supported activities accounted for 74 percent of total agency spending in FY 1993. Compliance and standardization activities, international monitoring, and the FGIS Advisory Committee are financed from appropriations.

## FEDERAL GRAIN INSPECTION SERVICE

Available Funds and Staff-Years1993 Actual and Estimated, 1994 and 1995

Item	1993		1994		1995	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Salaries and Expenses ....	\$11,397,000	161	\$11,532,000	168	\$11,325,000	168
Inspection and Weighing						
Services .....	30,884,866	537	42,784,000	532	42,784,000	532
Total, Federal Grain						
Inspection Service .....	42,281,866	698	54,316,000	700	54,109,000	700

## FEDERAL GRAIN INSPECTION SERVICE

Permanent Positions by Grade and Staff-Year Summary1993 and Estimated 1994 and 1995

Grade	1993			1994			1995		
	Head- quarter:	Field:	Total	Head- quarter:	Field:	Total	Head- quarter:	Field:	Total
Executive Level V	1	--	1	1	--	1	1	--	1
ES-6	1	--	1	1	--	1	1	--	1
ES-5	1	--	1	1	--	1	1	--	1
ES-1	1	--	1	1	--	1	1	--	1
GS/GM-15	4	--	4	4	--	4	3	--	3
GS/GM-14	12	--	12	10	--	10	8	--	8
GS/GM-13	30	11	41	29	11	40	28	11	39
GS-12	25	18	43	25	18	43	25	18	43
GS-11	9	85	94	9	85	94	9	85	94
GS-10	--	25	25	--	25	25	--	25	25
GS-9	20	209	229	20	209	229	20	209	229
GS-8	3	--	3	3	--	3	3	--	3
GS-7	20	17	37	20	17	37	20	17	37
GS-6	21	12	33	21	12	33	21	12	33
GS-5	11	131	142	11	131	142	11	131	142
GS-4	4	44	48	4	44	48	4	44	48
GS-3	--	7	7	--	7	7	--	7	7
GS-2	--	1	1	--	1	1	--	1	1
GS-1	--	--	--	--	--	--	--	--	--
Ungraded Positions.....	10	--	10	10	--	10	10	--	10
Total Permanent Positions .....	173	560	733	170	560	730	166	560	726
Unfilled Positions end-of-year .....	-2	-52	-54	-2	-52	-54	-2	-52	-54
Total, Permanent Employment, end-of-year.	171	508	679	168	508	676	164	508	672
Staff-Years: Ceiling .....	158	540	698	160	540	700	160	540	700

## FEDERAL GRAIN INSPECTION SERVICE

Salaries and ExpensesCLASSIFICATION BY OBJECTS1993 and Estimated 1994 and 1995

	<u>1993</u>	<u>1994</u>	<u>1995</u>
<b>Personnel Compensation:</b>			
Headquarters .....	\$ 4,238,660	\$ 4,754,000	\$ 4,667,000
Field .....	<u>1,958,813</u>	<u>2,197,000</u>	<u>2,157,000</u>
11 Total personnel compensation .....	6,197,473	6,951,000	6,824,000
12 Personnel benefits .....	<u>1,347,778</u>	<u>1,329,000</u>	<u>1,307,000</u>
Total Personnel Compensation Benefits .....	<u>7,545,251</u>	<u>8,280,000</u>	<u>8,131,000</u>
<b>Other Objects:</b>			
21 Travel .....	477,663	497,000	450,000
22 Transportation of things ..	73,271	48,000	48,000
23.2 Rental payments to others .	23,142	52,000	50,000
23.3 Communications, utilities, and misc. charges .....	286,348	333,000	329,000
24 Printing and reproduction .	38,665	28,000	28,000
25 Other services .....	1,199,365	1,626,000	1,624,000
26 Supplies and materials ....	331,598	267,000	266,000
31 Equipment .....	<u>731,378</u>	<u>401,000</u>	<u>399,000</u>
Total other objects .....	<u>3,161,430</u>	<u>3,252,000</u>	<u>3,194,000</u>
Total direct obligations .....	<u>10,706,681</u>	<u>11,532,000</u>	<u>11,325,000</u>
<b><u>Position Data:</u></b>			
Average Salary, ES positions .....	\$105,300	\$110,000	\$114,000
Average Salary, GM/GS positions .....	\$ 35,893	\$ 37,314	\$ 38,650
Average Grade, GM/GS positions .....	11.3	11.3	11.3

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## FEDERAL GRAIN INSPECTION SERVICE

(New language is underscored; deleted matter is enclosed in brackets.)

Salaries and Expenses

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$20,000 for employment under 5 U.S.C. 3109, [\$11,532,000] \$11,325,000: Provided, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but, unless otherwise provided, the cost of altering any one building during the fiscal year shall not exceed 10 per centum of the current replacement value of the building: Provided further, That none of the funds provided by this Act may be used to pay the salaries of any person or persons who require, or who authorize payments from fee-supported funds to any person or persons who require nonexport, nonterminal interior elevators to maintain records not involving official inspection or official weighing in the United States under Public Law 94-582 other than those necessary to fulfill the purposes of such Act.

## FEDERAL GRAIN INSPECTION SERVICE

SALARIES AND EXPENSES - CURRENT LAW

Appropriations Act, 1994 .....	\$11,532,000
Budget Estimate, 1995 .....	<u>11,325,000</u>
Decrease in Estimate.....	<u>- 207,000</u>

SALARIES AND EXPENSES - PROPOSED LEGISLATION

Budget Estimate, Current Law, 1995 .....	\$11,325,000
Change due to Proposed Legislation (New User Fees) .....	<u>-5,021,000</u>
Net Request, President's 1995 Budget Request .....	<u>6,304,000</u>

SUMMARY OF INCREASES AND DECREASES - CURRENT LAW  
(On basis of appropriation )

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1995 Estimated</u>
Compliance Activities.....	\$ 4,672,000	+\$21,000	-\$180,000	\$ 4,513,000
Methods Development.....	1,791,000	--	--	1,791,000
Standardization Activities.	<u>5,069,000</u>	<u>+ 66,000</u>	<u>-114,000</u>	<u>5,021,000</u>
Total Available.....	<u>11,532,000</u>	<u>+87,000</u>	<u>-294,000</u>	<u>11,325,000</u>

PROJECT STATEMENT - CURRENT LAW  
(On basis of appropriation )

<u>Project</u>	<u>1993 Actual</u>	<u>1994 Estimated</u>	<u>Increase</u>	<u>1995 Estimated</u>
	<u>Amount</u>	<u>Amount</u>	<u>or</u>	<u>Amount</u>
	<u>Staff:</u>	<u>Staff:</u>	<u>Decrease</u>	<u>Staff</u>
	<u>Years:</u>	<u>Years:</u>		<u>Years</u>
Compliance	:	:	(1):	:
Activities.....	\$ 4,357,316: 78	\$ 4,672,000: 78	-\$ 159,000:	\$ 4,513,000: 78
Methods	:	:	:	:
Development.....	1,772,963: 23	1,791,000: 23	--:	1,791,000: 23
Standardization	:	:	(2):	:
Activities.....	4,576,402: 60	5,069,000: 67	-48,000:	5,021,000: 67
Unobligated	:	:	:	:
balance.....	690,319: --	--: --	--:	--: --
Total, Available:	:	:	:	:
or Estimate....	<u>11,397,000: 161</u>	<u>11,532,000: 168</u>	<u>-207,000:</u>	<u>11,325,000: 168</u>

EXPLANATION OF PROGRAM

The appropriation "Salaries and Expenses" of the Federal Grain Inspection Service funds the compliance and standardization activities and methods development. The activities carried out are as follows:

1. Compliance Activities

The compliance activities ensure the accurate and uniform application of the U.S. Grain Standards Act (USGSA) and the applicable provisions of the Agricultural Marketing Act of 1946 (AMA). Field activities are reviewed to ensure that all procedures are implemented in a manner consistent with agency policy. Compliance activities include the delegation and designation of official agencies, the investigation of violations of the USGSA and AMA including referral of criminal violations to the Office of Inspector General, licensing of official agency personnel, registering persons/firms engaged in foreign commerce, and maintaining an international monitoring program which interacts with foreign governments and trade teams to exchange information and respond to complaints concerning quality and quantity of grain shipments.

Compliance Activities  
Projected Level of Activity

	<u>1993</u>	<u>1994</u>	<u>1995</u>
Official Agency Actions:			
Agency delegations and designations			
in effect at end of fiscal year .....	72	72	72
Designations renewed .....	21	26	25
Designations cancelled .....	0	1	1
State delegations at export port			
locations in effect at end of fiscal year ..	8	8	8
Registration of Firms Exporting Grain:			
Registration certificates issued .....	92	95	95
On-site investigations .....	6	10	15

2. Standardization Activities

FGIS standardization activities aid in the orderly marketing of grains, oilseeds, rice, and related commodities through the development, promulgation, and application of new and revised standards. Activities include the establishment, review, and revision of the standards to reflect the latest inspection techniques and marketing needs; development and evaluation of new instruments and methods to increase accuracy; and operation of a nationwide quality control program to assure the integrity of the inspection certificate.

Standardization Activities  
Projected Level of Activity

	<u>1993</u>	<u>1994</u>	<u>1995</u>
U.S. Standards in effect at end of year .....	19	19	19
New and revised standards issued during fiscal			
year .....	2	4	7
Standards reviews in progress .....	11	12	7
Standards reviews completed .....	5	7	7
Inspection techniques developed .....	2	2	2
Codex standards developed .....	13	13	13

Under the Secretary's proposed reorganization, functions of the Federal Grain Inspection service will be transferred to the Grain Inspection, Packers and Stockyards Administration.

#### JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$159,000 in compliance activities (\$4,672,000 available in 1994) consisting of:

- (a) An increase of \$21,000 which reflects a 1.6 percent increase in pay costs.
- (b) An increase of \$17,000 which reflects a 2.6 percent increase in non-salary costs.
- (c) A decrease of \$41,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$41,000.

Nature of Change. In order to achieve these savings, FGIS will reduce discretionary expenses by \$41,000 in FY 1995, in areas such as employee development, travel, and equipment.

- (d) A decrease of \$156,000 for a reduction in Federal employment costs.

Need for Change. The Secretary has developed a plan to streamline the department in support of the President's Executive Order mandating a reduction of Federal employees.

Nature of Change. To achieve the reduction target, FGIS has reduced employment in FY 1994 which will reduce FY 1995 employment costs by \$156,000.

- (2) A decrease of \$48,000 in standardization activities (\$5,069,000 available in 1994) consisting of:

- (a) An increase of \$66,000 which reflects a 1.6 percent increase in pay costs.
- (b) An increase of \$72,000 which reflects a 2.6 percent increase in non-salary costs.
- (c) A decrease of \$60,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$60,000.

Nature of Change. In order to achieve these savings, FGIS will reduce discretionary expenses by \$60,000 in FY 1995, in areas such as employee development, travel, and equipment.

- (d) A decrease of \$126,000 for a reduction in Federal employment costs.

Need for Change. The Secretary has developed a plan to streamline the department in support of the President's Executive Order mandating a reduction of Federal employees.

Nature of Change. To achieve the reduction target, FGIS has reduced employment in FY 1994 which will reduce FY 1995 employment costs by \$126,000.



FEDERAL GRAIN INSPECTION SERVICE  
Summary of Proposed Legislation

SUMMARY OF INCREASES AND DECREASES - PROPOSED LEGISLATION

<u>Item of Change</u>	1995		
	<u>Current Law</u>	<u>Program Changes</u>	<u>President's Request</u>
Compliance Activities .....	\$ 4,513,000	--	\$ 4,513,000
Methods Development .....	1,791,000	--	1,791,000
Standardization Activities .....	<u>5,021,000</u>	<u>-\$5,021,000</u>	<u>--</u>
Total Available .....	<u>11,325,000</u>	<u>-5,021,000</u>	<u>6,304,000</u>

Explanation of Proposed Legislation

The Federal Grain Inspection Service develops, reviews, and maintains official U.S. grain standards used by the entire grain industry. This proposal would initiate user fees for this service. The Administration believes that the beneficiaries of these services should pay for the costs of these services.

Federal Grain Inspection Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1993 and Estimated 1994 and 1995  
SALARIES AND EXPENSES

	FY 1993		FY 1994		FY 1995	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Arkansas .....	112,501	2	121,000	2	119,000	2
California .....	79,126	1	85,000	1	84,000	1
District of Columbia ..	2,992,023	48	3,224,000	50	3,165,000	50
Georgia .....	29,681	1	32,000	1	31,000	1
Idaho .....	80,904	1	87,000	1	86,000	1
Illinois .....	295,590	4	366,000	4	360,000	4
Indiana .....	44,643	1	0	0	0	0
Iowa .....	209,618	3	226,000	3	222,000	3
Kansas .....	295,129	4	318,000	4	312,000	4
Louisiana .....	363,247	5	391,000	5	384,000	5
Maryland .....	101,299	2	109,000	2	107,000	2
Minnesota .....	299,093	4	322,000	4	316,000	4
Missouri .....	4,897,403	72	5,275,000	78	5,180,000	78
Nebraska .....	168,196	3	181,000	3	178,000	3
North Dakota .....	150,797	2	162,000	2	160,000	2
Ohio .....	80,350	1	87,000	1	85,000	1
Oregon .....	99,363	1	107,000	1	105,000	1
Texas .....	297,813	4	321,000	4	315,000	4
Washington .....	109,905	2	118,000	2	116,000	2
Subtotal, Available or Estimate .....	10,706,681	161	11,532,000	168	11,325,000	168
Unobligated Balance ..	690,319	7	--	--	--	--
Total, Available or Estimate .....	11,397,000	168	11,532,000	168	11,325,000	168

## FEDERAL GRAIN INSPECTION SERVICE

## SALARIES AND EXPENSES

## STATUS OF PROGRAM

Current activities, progress, and programs for standardization, quality assurance, and compliance activities are outlined below:

STANDARDIZATION AND QUALITY ASSURANCE ACTIVITIES

Current Activities: The Federal Grain Inspection Service (FGIS) compiles data for developing new and updating existing grading standards, and evaluates new methodology and equipment for determining grain classification and quality. The Agency provides reference standards for official grading procedures.

Selected Examples of Recent Progress:1. Standardization. (Grain: Rice; and Beans, Peas, and Lentils)

Grain. FGIS implemented revised standards for wheat on May 1, 1993, and for sorghum on June 1, 1993. Development of these new standards was based on the evaluation of 28 comments received on the wheat standards proposal and 29 comments received on the sorghum standards proposal.

FGIS is continuing its review of the barley standards. FGIS solicited input from the barley industry on a discussion paper developed by the Agency, and at a meeting hosted by the Washington Barley Commission in Pasco, WA, in May 1993. A proposed rule soliciting comments and a final rule are expected during fiscal year 1994.

FGIS also initiated discussions regarding a review of standards for corn, sunflower seed, flaxseed, oats, rye, triticale, and mixed grain. FGIS plans to propose action on these grains and oilseeds during fiscal year 1994.

Rice. In the January 11, 1993, Federal Register, FGIS proposed revising the U.S. Standards for Rice. Specifically, FGIS proposed to revise the U.S. Standards for Rough Rice, Brown Rice for Processing, and Milled Rice by establishing a special grade for aromatic rice, and eliminating the requirement that Rough rice and Brown rice for processing must contain more than 25 percent of whole kernels in order to be classed as long grain, medium grain, short grain, or mixed Rough rice or Brown rice for processing. Based on the 14 comments received in response to the proposed action, FGIS prepared a final rule to implement the changes to the rice standards. The final rule is scheduled to be published in the Federal Register during fiscal year 1994.

Beans. On March 16, 1993, FGIS published in the Federal Register a notice that the U.S. Standards for Beans were under review. FGIS believed that these standards met the needs of producers, warehouse managers, shippers, and all others who handle or market beans. Consequently, no changes were planned or proposed. Interested parties were invited to participate in the rulemaking process by submitting written comments and/or recommendations on the official standards. During the 60-day comment period, two comments were received. Based on these comments, FGIS developed an "Advance Notice of Proposed Rulemaking" that seeks comments on recommended changes by the commenters to the U.S. Standards for Blackeye and Baby Lima Beans.

2. Standardizing Commercial Grain Inspection Equipment. FGIS continued to provide leadership in a cooperative effort with the National Conference on Weights and Measures (NCWM) to develop equipment testing and calibration programs for grain moisture meters and near infrared (NIR) wheat protein analyzers. During fiscal year 1993, FGIS provided technical and

administrative support for three meetings of the technical sectors (committees) responsible for developing specifications, tolerances, and test procedures for commercial grain inspection equipment.

The NCWM adopted proposed changes to its Moisture Meters Code at its 1993 annual meeting. FGIS is preparing to serve as a National Type Evaluation Program (NTEP) laboratory to evaluate commercial moisture meters, using the newly revised Code, during fiscal year 1994. FGIS also plans to conduct a calibration data collection program for the moisture meter models that meet the prescribed design requirements and pass the performance tests.

A technical sector prepared a new Code for NIR wheat protein analyzers that will be formatted by the National Institute for Standards and Technology (NIST), discussed at the NCWM interim meetings in January 1994, and possibly adopted at the NCWM annual meeting in July 1994. If the Code is adopted in fiscal year 1994, FGIS will serve as an NTEP laboratory for evaluating and calibrating NIR wheat protein analyzers beginning in fiscal year 1995.

### 3. Methods Development.

Standardizing Commercial Grain Inspections. FGIS will begin performance evaluation and calibration data collection for commercial grain moisture meters in fiscal year 1994 under the auspices of the National Conference on Weights and Measures. The same activity is expected later concerning Near Infrared protein testing equipment.

The 1990 Farm Bill amended the U.S. Grain Standards Act to authorize the FGIS Administrator to work in conjunction with the National Institute of Standards and Technology and the National Conference on Weights and Measures to promote greater uniformity in commercial grain inspection results.

Heavy Metals Analysis. Concern has been expressed about the possibility of contamination of U.S. grain by heavy metals such as cadmium, lead, mercury, arsenic, and selenium. These metals occur naturally in certain types of soil and can also be introduced by the use of sewage sludge as a fertilizer. It has been shown that some of these metals can be absorbed in the roots of the plant and end up in the grain. The first phase of this project will be the development of a survey program for heavy metals in wheat. The next phases are expected to include the development of survey programs for heavy metals in soybeans and corn. Later phases could include offering a heavy metals testing service for a fee.

Type Evaluation of Mycotoxin Test Kits and Adoption of Reference Methods. The wet weather during the 1993 growing season has emphasized the need for being able to supply FGIS customers with mycotoxin testing capabilities. Work on the testing of new mycotoxin test kits for use in the field will continue. In particular, test kits for deoxynivalenol, zearalenone, and fumonisin will be type evaluated.

Reference methods are needed in order to verify the accuracy of measurements being made by test kits in the field. The goal will be to combine the current reference methods into one or two multi-residue methods which will determine the aflatoxins, deoxynivalenol, zearalenone, and fumonisin. A confirmation technique will also be developed using high-pressure liquid chromatography/mass spectrometry. The result should be an efficient set of methods for quantifying and confirming mycotoxin residues in grain.

Grain Odor. Musty, sour, and commercially-objectionable foreign odors are important grain grading factors. FGIS continues to participate in two separate collaborative efforts with the Agricultural Research Service (ARS) on odor detection in grain.

Approximately 120 samples of various types of grain with different types of



odors were analyzed chemically and specific odor designations were made for each sample based on this chemical analysis. These results are currently being compared with the odor designations assigned to the same samples by inspectors in the official inspection system. This comparison will be completed in fiscal year 1994.

In the second project, an ARS-developed and patented sample holder that prevents inspectors from inhaling particulates, such as dust and mold spores, has been evaluated by the Board of Appeals and Review. Use of this holder did not affect an inspector's ability to detect and identify grain odors. The apparatus is now being tested in the field under actual inspection conditions. In addition, ARS scientists are further evaluating the safety features of the holder. These studies will be completed in fiscal year 1994.

Wheat Classification. FGIS, ARS, the Agricultural Marketing Service (AMS), and the industry-sponsored Wheat Classification Working Group are continuing a collaborative effort to develop a wheat classification system based on objective test results rather than kernel morphology.

In fiscal year 1993, the performance of the single kernel hardness tester that will classify wheat based on measured hardness was successful under different temperature and humidity conditions. As a result, Perten Instruments of North America produced six commercial prototypes and these were tested at the Technical Center and under field conditions at five different locations. The results of this test are currently being analyzed and will be used to fine tune the instrument prior to commercial production.

Insect Infestation. For the past three years, FGIS has supported the development of a test kit which is capable of analyzing total insect infestation in grain. The test that was developed as a result of this effort can detect the presence of insects both internal and external to the grain kernels in all life stages except the egg. Studies which compared the results from this test kit with those obtained using the fragmentation count method were completed and analysis of the results is in process.

In a second project, FGIS and ARS are cooperating in the development of an acoustical detector that can detect the presence of live infestation. This technique is also sensitive to insects that are both internal and external to the kernel. Prototypes are due to be delivered to the FGIS Technical Center in fiscal year 1994 for evaluation.

#### COMPLIANCE ACTIVITIES

Current Activities: The compliance program is designed to ensure the accurate and uniform application of the USGSA and applicable provisions of the AMA. The compliance program functions include: (1) evaluating alleged violations, initiating preliminary investigations, and initiating enforcement/administrative action for violations; (2) conducting management and technical reviews of FGIS' operations and initiating appropriate corrective action; (3) administering the program for delegating State agencies and designating State and private agencies performing official functions and monitoring their performance; (4) identifying and, where appropriate, exempting and monitoring official agency and licensee conflicts of interest; (5) licensing personnel of delegated States and designated agencies; (6) registering persons/firms engaged in buying grain for sale in foreign commerce and engaged in handling, weighing, and transporting of grain for sale in foreign commerce; (7) responding to audits of FGIS programs; and (8) reviewing and approving official agencies' fee schedules.

#### Selected Examples of Recent Progress:

1. Management Control Program. FGIS has established and maintains, at all

levels of the organization, an effective checks-and-balances system of program, accounting, and administrative control. The FGIS management control review program consists of (1) structured internal review processes, (2) external reviews conducted by groups outside of FGIS, i.e., Office of the Inspector General (OIG) and General Accounting Office (GAO); and (3) follow-up reviews. FGIS management supports this program as it has enhanced FGIS' ability to effectively assess the national grain inspection and weighing system.

Those programs and activities reviewed during fiscal year 1993 through the management control program appear to be fundamentally sound, are operating with sufficient controls and security measures, and are in compliance with applicable statutes and regulations. Problem areas have been identified in some of the programs; however, FGIS management has not considered them to be significant enough to warrant material weakness determinations (as defined in OMB Circular A-123) since they have not affected the overall integrity of the programs, inspection system, or mission of the Agency. In accordance with program requirements, FGIS ensures through follow-up reviews that the noncompliance and problem areas are resolved adequately and in a timely manner.

2. Compliance Reviews. During fiscal 1993, FGIS conducted compliance reviews of 4 FGIS field offices and the 2 Federal/State offices to evaluate management effectiveness and procedural compliance; and of 16 designated official agencies to determine whether they meet the criteria for designation. FGIS personnel also conducted special reviews of two field locations' scale testing programs to evaluate nationwide uniformity. Despite the procedural problems that were found in the circuits, FGIS found most of the offices to be well managed, performing satisfactorily, and meeting the Agency's mission. The problems identified have been or are being corrected. Follow-up reviews ensure that appropriate action has been taken to resolve the problems.

As part of all compliance reviews, FGIS interviews applicants for service and official personnel to ensure that there is no discrimination in the delivery of official services. No instances of discrimination in service were identified in the reviews conducted during fiscal year 1993.

3. Official Agency Designations. Seventy-two State and private agencies are designated to provide official services at interior locations. Of these, 8 are State agencies which, also, are delegated to perform official inspection and weighing services at export locations.

Under triennial renewal procedures, 21 official agency designations automatically terminated in fiscal year 1993. Twenty designations were renewed for 3-year terms after reviews of their performance were conducted. The one remaining official agency's designation was renewed for a 12-month interim period. FGIS determined that this official agency was not qualified to be renewed at one of its four service points based upon significant problems that were identified during an investigation conducted by USDA's Office of Inspector General and FGIS personnel. Consequently, FGIS assigned the one service point to a currently designated agency, and renewed the incumbent official agency's designation at the remaining three service points for a 12-month interim period. This interim designation will give FGIS time to determine whether the agency is performing adequately at those service points.

4. Alleged Violations and Case Activity. At the beginning of fiscal year 1993, 12 cases involving alleged violations of the USGSA and the AMA were pending further action. During this fiscal year, 15 cases were opened and 12 cases were closed, leaving 15 cases pending action at the close of fiscal year 1993. Alleged violations during fiscal year 1993 included: deceptive grain handling and loading practices; using improper sampling procedures; altering official samples and certificates; unreported conflicts of interests; and prohibited blending practices in violation of the Grain Quality Improvement Act.

Of the 15 cases opened during fiscal year 1993, FGIS conducted six onsite

investigations. One case was referred to the Food and Drug Administration. The remaining cases were addressed by evaluating information gathered and submitted by FGIS field office personnel.

5. Enforcement Actions. Administrative action was taken on 10 of the 12 cases closed. One was closed due to insufficient evidence to substantiate a violation, and another was closed based on criminal proceedings taken by the U.S. attorney's office.

6. Adding Water to Grain. In 1992, USDA received several complaints from grain merchants about potential grain quality degradation due to the application of water to grain. Complainants contended that the primary purpose of applying water is to increase the weight of the grain. As a result of these complaints, USDA's Office of Inspector General, with FGIS' assistance, has been actively involved in conducting an investigation of a major grain firm that is alleged to have applied water to grain to increase the weight of the grain. This activity led to regulatory actions which are discussed in regard to inspection and weighing services.

7. Registration to Export Grain. During calendar year 1993, FGIS issued 92 Certificates of Registration to firms that export grain for sale; or handle, weigh, or transport grain for sale in foreign commerce.

8. Conflicts of Interest. At the beginning of fiscal year 1993, all five of the designated agencies that have been granted discretionary conflict-of-interest waivers were operating without significant problems. One of those five agencies was sold to a new group, which has eliminated the conflict. Four "conflict" agencies remain.

FGIS received 23 conflict-of-interest situations for evaluation involving licensed personnel. Exceptions, which are granted on the basis of an individual's agreement to comply with specified conditions, were granted to 15; 5 did not constitute a conflict of interest; 1 licensee was denied an exception; and 2 general inquiries were handled.

### International Monitoring.

The International Monitoring program functions include (1) traveling to other countries to explain FGIS' inspection and weighing procedures; (2) briefing visiting trade and governmental teams and others on the grain marketing system, FGIS, and grain quality issues; (3) monitoring grain shipments at destination ports to compare origin and destination quality; (4) assisting USDA cooperator organizations with international market development projects, such as installing diverter-type samplers, establishing grain inspection laboratories, testing and evaluating grain inspection equipment accuracy, and providing grain inspection training to local inspectors; and (5) preparing written or on-site responses to discrepancies about grain shipments reported through the Foreign Agricultural Service (FAS) and other sources.

In fiscal year 1993, FGIS received 48 quality and 2 quantity complaints from importers on grains inspected under the Act. The complaints involved 68 lots loaded aboard 62 vessels.

Importers' complaints in fiscal year 1993 involved approximately 1.7 million metric tons, or about 1.6 percent by weight, of the total amount of grain exported during the year. The 19 quality complaints and 2 quantity complaints FGIS received in fiscal year 1992 represented approximately 1.0 percent of total tonnage of grain exports.



FEDERAL GRAIN INSPECTION SERVICE

(New language is underscored; deleted matter is enclosed in brackets.)

Limitation on Inspection and Weighing Services Expenses

Not to exceed \$42,784,000 (from fees collected) shall be obligated during the current fiscal year for Inspection and Weighing Services: Provided, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 per centum with notification to the Appropriations Committees.



FEDERAL GRAIN INSPECTION SERVICEINSPECTION AND WEIGHING SERVICES

Obligations, 1994 .....	\$42,784,000
Budget Estimate, 1995 .....	<u>42,784,000</u>
Change in Obligations .....	<u>0</u>

LIMITATION ON INSPECTION AND WEIGHING EXPENSES

Appropriation Act, 1994 .....	\$42,784,000
Change in Limitation .....	<u>0</u>
Budget Estimates, 1995 .....	<u>42,784,000</u>

PROJECT STATEMENT

Project	: 1993 Actual	: 1994 Estimated	: Increase	: 1995 Estimated
	: Staff-	: Staff-	: or	: Staff
	: Amount	: Amount	: Decrease	: Amount
	: Years	: Years	: Years	: Years
Insp. & Weigh. :	:	:	:	:
Activities....:	\$30,884,866: 537	\$42,784,000: 532	- -	\$42,784,000: 532
Unobligated :	:	:	:	:
balance avail. :	:	:	:	:
start of period:-	7,192,085: - -	-10,060,155: - -	- -	-10,060,155: - -
Unobligated :	:	:	:	:
balance avail. :	:	:	:	:
end of period..:	10,060,155: - -	10,060,155: - -	- -	10,060,155: - -
Collections ....:	33,752,936: 537	42,784,000: 532	- -	42,784,000: 532

EXPLANATION OF PROGRAM

The Federal Grain Inspection Service (FGIS) provides an official grain inspection and weighing system under the U.S. Grain Standards Act (USGSA), as amended, and official inspection of rice and grain related products under the Agricultural Marketing Act of 1946 (AMA), as amended. The USGSA was reauthorized in 1993 permitting FGIS to continue to collect user fees to fund the costs associated with the operation, supervision, and administration of Federal grain inspection and weighing activities.

Fees collected under the USGSA and the AMA pay the expenses of the following programs:

1. Inspection ActivitiesProjected Level of Activity

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Quantity of Grain Officially Inspected (million metric tons)			
For Export by Federal Personnel .....	87.9	74.1	85.0
by Delegated State Personnel .	18.8	15.8	18.2
Domestically .....	<u>149.3</u>	<u>149.3</u>	<u>149.3</u>
Total .....	256.0	239.2	252.5
Number of Inspections and Reinspections			
By Federal Personnel .....	165,847	166,000	166,000
By Delegated State/Official Agency Licensees .....	2,448,417	2,448,000	2,448,000
<u>Number of Grain Appeals</u>			
By Field Offices .....	9,460	9,500	8,000
By the Board of Appeals and Review ....	1,737	1,500	1,200
Quantity of Rice Inspected (million metric tons) .....	4.6	4.6	4.6
Quantity of Rice Exports (million metric tons) .....	2.7	2.8	2.5

2. Weighing ActivitiesProjected Level of Activity

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Export Grain Weighed (million metric tons)			
By Federal Personnel .....	85.0	71.7	82.6
By Delegated State Personnel .....	18.8	15.8	18.2

Federal Grain Inspection Service  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1993 and Estimated 1994 and 1995  
INSPECTION & WEIGHING

	FY 1993		FY 1994		FY 1995	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Alabama .....	\$ 54	0	\$ 0	0	\$ 0	0
Arkansas .....	1,770,941	31	2,456,000	31	2,456,000	31
California .....	59,213	1	82,000	1	82,000	1
District of Columbia ..	5,982,223	105	8,295,000	103	8,295,000	103
Georgia .....	174,662	3	242,000	3	242,000	3
Idaho .....	198,535	3	275,000	3	275,000	3
Illinois .....	509,902	9	806,000	10	806,000	10
Indiana .....	71,574	1	0	0	0	0
Iowa .....	227,327	4	315,000	4	315,000	4
Kansas .....	378,367	7	525,000	7	525,000	7
Louisiana .....	9,919,250	173	13,755,000	170	13,755,000	170
Maryland .....	2,316,488	40	3,212,000	40	3,212,000	40
Michigan .....	3,023	0	0	0	0	0
Minnesota .....	294,152	5	408,000	5	408,000	5
Missouri .....	487,876	9	677,000	9	677,000	9
Nebraska .....	328,802	6	456,000	6	456,000	6
North Dakota .....	175,803	3	244,000	3	244,000	3
Ohio .....	1,033,316	18	1,437,000	18	1,437,000	18
Oregon .....	2,401,826	42	3,331,000	42	3,331,000	42
Texas .....	4,132,032	72	5,730,000	72	5,730,000	72
Washington .....	100,860	2	140,000	2	140,000	2
Total States .....	30,566,226	534	42,386,000	529	42,386,000	529
Canada .....	318,640	3	398,000	3	398,000	3
Total, Available or Estimate .....	30,884,866	537	42,784,000	532	42,784,000	532

FEDERAL GRAIN INSPECTION SERVICE  
INSPECTION AND WEIGHING SERVICES  
STATUS OF PROGRAM

Current activities, progress, and programs for inspection and weighing activities are outlined below:

Current Activities: The USGSA requires, with minor exceptions, that all grain exported by grade must be officially inspected and weighed. FGIS employees and licensed employees of delegated State agencies perform original inspection and weighing services at export port locations in the United States and Canada. Grain which is not being exported may be inspected at interior locations on a request basis, by licensed employees of designated State and private agencies. FGIS employees, on a request basis, perform original inspection and weighing services on grain, oilseeds, pulses, rice, and related grain commodities. FGIS employees supervise and provide oversight for inspectors performing official services.

FGIS will continue to develop new inspection and weighing services while continuing to seek additional ways of reducing costs.

Selected Examples of Recent Progress: (Inspection and Weighing)

1. NIRT Wheat Protein Testing. On May 2, 1993, FGIS initiated official wheat protein inspections using a new technology, near-infrared transmittance (NIRT). The near-infrared reflectance instrument, which was previously used to determine wheat protein, analyzed ground wheat samples. Because the NIRT instruments analyze whole grain samples, this new technology will improve the consistency among official wheat protein test results and reduce the overall costs of official inspection due to reduced labor.
2. Vomitoxin Testing Services. The presence of vomitoxin in the 1993 wheat and barley crops created a market need for official vomitoxin testing. On September 23, 1993, FGIS published an interim rule announcing the immediate availability of official vomitoxin testing services for grain under the authority of the Act. In response to the market's demand for rapid, onsite testing capabilities, FGIS implemented the official services using quick test kits at field locations. FGIS, delegated States, and designated agencies currently are providing the grain industry with official vomitoxin testing service, upon request.
3. Informational Videos. FGIS developed two videos, From Harvest to Harbor and A Question of Quality. From Harvest to Harbor is a brief informational video describing FGIS' basic functions and is directed towards audiences with general agricultural backgrounds.

A Question of Quality describes diverter-type (D/T) sampling and related techniques and is being used to train official grain samplers. The video provides FGIS and licensed samplers with a clear understanding of all aspects of D/T sampling and related activities, including how to conduct stowage examinations and perform prior-to-operation checks. It also provides detailed information and actual demonstrations of each task performed by D/T sampler attendants.

4. Water in Grain Issues. In 1992, several foreign and domestic grain merchants expressed concern over potential quality degradation due to water applications to grain. They contended that the primary purpose of the applications was to increase the weight of grain.

In response to these concerns, FGIS published in the January 8, 1993, Federal Register a final rule that amended the regulations to require a "disclosure" statement on official export inspection and weight certificates



whenever water is applied to export grain at export port locations. The purpose of this action was to ensure that foreign buyers of U.S. grain are informed when water has been applied to U.S. export grain. This action did not address nonexport grain.

During and since development of the aforementioned regulations, numerous grain industry groups voiced concerns about the effect of water application on all grain, whether or not such grain is exported from the United States or even offered for official inspection and weighing services. These groups and many individual firms maintain that applying water to grain poses a risk to grain quality and can provide a strong incentive to improperly increase weight.

In response to these concerns, FGIS proposed prohibiting the application of water to grain in the August 4, 1993, Federal Register. This proposed action would not restrict either naturally occurring moisture changes or the addition of water during milling, malting, or similar processing operations. A final decision on the proposed action will be made in fiscal year 1994.

5. Field Automation. FGIS' efforts to integrate modern technology into official field inspection and weighing services continue to show very positive results. Technical parameters provided to the industry have resulted in proposals to install automated systems at eight export elevators. Grain elevators installing a system to automate the weighing and material handling supervision processes can potentially save over \$96,000 per shift per year, based on the published hourly contract rate.

FGIS also is developing software to automate the export inspection statistical shiploading plan. This new system will improve accuracy and efficiency by minimizing manual data collection and calculations and will permit direct data sharing with customers and remote FGIS offices.

6. Barge Fumigation Procedures. To facilitate the marketing and certification of bulk grain and rice transported by river barge, FGIS developed procedures to permit stationary (static) fumigation to correct infestation as part of the original inspection service. The fumigation procedure does not automatically remove the special grade "Infested" for grain and Rough rice, or the U.S. Sample grade designation for Brown rice from the inspection certificate because the efficacy of the fumigation cannot be confirmed. The inspection certificate will reflect the quality factor results obtained from the original sample and report infestation based on a condition examination conducted after fumigation.
7. Wheat Classification. FGIS, in cooperation with the Agricultural Research Service (ARS) and the Agricultural Marketing Service (AMS), is continuing to develop an objective wheat classification system. Rather than relying on subjective visual inspection that determines kernel color and morphology, the new system will objectively assess single kernel hardness to differentiate between hard and soft wheat classes.

Through a cooperative agreement with ARS, a single kernel hardness tester (SKHT) suitable for commercial production and sale was developed in fiscal year 1993. After running performance tests on the commercial models, FGIS initiated a field study in June 1993 to determine the reproducibility and repeatability of the instruments under field conditions.

THURSDAY, APRIL 14, 1994.

## NATIONAL AGRICULTURAL STATISTICS SERVICE

### WITNESSES

KEITH J. COLLINS, ACTING ASSISTANT SECRETARY FOR ECONOMICS,  
DEPARTMENT OF AGRICULTURE

DONALD M. BAY, ACTING ADMINISTRATOR AND DEPUTY ADMINISTRATOR FOR OPERATIONS, NATIONAL AGRICULTURAL STATISTICS SERVICE

RICHARD D. ALLEN, DEPUTY ADMINISTRATOR FOR PROGRAMS AND CHAIRPERSON OF THE AGRICULTURAL STATISTICS BOARD, NATIONAL AGRICULTURAL STATISTICS SERVICE

FRED S. BARRETT, DIRECTOR, STATE STATISTICAL DIVISION, NATIONAL AGRICULTURAL STATISTICS SERVICE

STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. DURBIN. Let me address the National Agricultural Statistics Service next. Your agency seems to have the largest requested change. There are several areas that I would like to ask questions on.

### ENUMERATORS

It appears that some of the increase you are asking for is to cover salary and per diem costs of enumerators which were incurred in fiscal year 1993. Is that correct?

Mr. BAY. That is correct, Mr. Chairman.

Mr. DURBIN. Why are you requesting the money in this fiscal year to cover costs that were incurred two years ago?

Mr. BAY. Well, we have a lag because of the fact that we do not and cannot project what the raise will be for 1995. We try to keep our enumerators——

Mr. DURBIN. You cannot project what? I am sorry I did not hear you.

Mr. BAY. What type of raise we would have for 1995. We did not receive any increase in 1993, so we had to absorb the increased cost of salaries and per diem for the enumerators.

What we are trying to do is not have to continue to eat that increase each year, so since we can measure what the costs were in 1993, we cannot measure what the cost will be in 1995, we will use what we recover in 1993 to give them a pay raise in 1995.

It is a fact that enumerators are not covered by pay increases that Federal employees receive. What we are trying to do is keep the enumerators' pay equivalent to what is going on in the private sector. We have projected that we would give them about a 2 percent increase in salaries if we get this initiative. If we provide the enumerators a pay raise which is not funded, NASS would have to

offset that with reduced sample size or other costs which would reduce the overall quality of our surveys.

Mr. DURBIN. Will this appropriation request bring you up to current obligations with these enumerators?

Mr. BAY. Each year, we would need to have this type of increment in order to keep our enumerator salary equivalent with the rise in inflation in other parts of the labor market.

Mr. DURBIN. But will we always be two years behind, then?

Mr. BAY. We will always be. That is the only place we have actual information to base it on. Otherwise, we would be just projecting what the cost increases would be next year.

Mr. DURBIN. Do you anticipate any increases for fiscal years 1994 and 1995?

Mr. BAY. Yes, sir.

Mr. DURBIN. And so those increases will be requested—

Mr. BAY. They would be requested in 1996 and 1997.

#### RESTRICTED USE PESTICIDE DATA

Mr. DURBIN. Let me ask you about the restricted use of pesticide data. You have requested an increase of \$2.9 million to implement an authorized agricultural survey. The EPA is spending \$1.8 million on a non-agricultural survey. This is a mandate from the Farm Bill that comes to this committee to fund. Could you explain this request? Why are you asking for it this year?

Mr. BAY. This year's request is because of the fact that the Administrator of EPA and the Secretary of Agriculture, through a cooperative agreement, have agreed to respond to this part of the Farm Bill. Up until this time, neither agency had received funding to fulfill the requirements of the law.

EPA did get funded for its portion for FY 1994, and therefore we felt it was appropriate for Agriculture to be able to do the agriculture portion of the requirements of that law. Our agreement with EPA is that we would collect the data for the agricultural sector, which is two-thirds of the pesticide use, and that EPA would do the non-agricultural part.

Mr. DURBIN. Has your agency ever asked for money before for this purpose?

Mr. BAY. Money was requested in FY 1992 and FY 1993 to develop procedures and \$100,000 has been used for this purpose.

Mr. DURBIN. So it really is EPA's good fortune in getting \$1.8 million which has led you to ask for \$2.9 million.

Mr. BAY. I guess it is good fortune but it means we have to design a nationwide survey and collect the required information.

Mr. DURBIN. Describe for the Committee what the requirements of Section 1491 are and what impact this has on the farmer, EPA, and your agency.

Mr. BAY. Section 1491 states that the Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall require certified applicators of restricted use pesticides to maintain records comparable to records maintained by commercial applicators of pesticides in each State. The impact on farmers who use restricted use pesticides is they must maintain records of: the brand or pesticide product applied, the EPA registration number, total amount used, size of area treated, the prod-



uct or crop to which it was applied, location, and date it was applied. These records are to be retained for at least 2 years.

Section 1491 also states that the Secretary of Agriculture and the Administrator of the EPA shall survey the records of private and commercial applicators sufficient to publish annual comprehensive reports concerning agricultural and nonagricultural pesticide use.

The USDA and EPA have signed a Memorandum of Understanding whereby NASS will be responsible for collecting and publishing the data on agricultural pesticide use and EPA will be responsible for nonagricultural pesticide use.

Mr. DURBIN. A pilot study was conducted in Arizona during fiscal year 1992 to compare applicator records required by the State and provide information on current pesticide records. What was learned from this pilot study?

Mr. BAY. We are still waiting for the Arizona Department of Agriculture, Environmental Services Division, to provide the applicator—farmer—records. The agreement would provide the records for comparison with our survey results. However, the Arizona Department of Agriculture encountered considerable resistance from the applicators when they were requested to send in their records. They are in the process of resolving the problems and we are hoping they can provide the records to us by this summer. Our objective is to see if there is any significant difference between what the farmers report to NASS and what they report to the State.

Mr. DURBIN. What is the difference between a restricted use pesticide and a non-restricted use pesticide? Also, describe the difference between a private applicator and a commercial applicator.

Mr. BAY. A restricted use pesticide is one that the EPA has determined would cause additional risk to the environment or to human health if that pesticide was not properly applied. This is the reason an applicator must receive training and become certified to apply a restricted use pesticide. The Federal Insecticide, Fungicide, and Rodenticide Act gives EPA the authority to determine which pesticides fit this definition.

An unrestricted use or general use pesticide is one that EPA has determined its environmental risk is not such that it requires special handling.

A certified private applicator is one who is certified by the State to use or supervise the use of a restricted use pesticide for the purpose of producing any agricultural commodity on property owned or rented by the applicator or, if applied without compensation, on the property of another person.

A certified commercial applicator is one who is certified by EPA or the State to use or supervise the use of a restricted use pesticide for any purpose on any property other than as provided by the definition of a private applicator.

Mr. DURBIN. Can only certified applicators apply restricted use pesticides? Who certifies them?

Mr. BAY. Anyone who applies a restricted use pesticide must be certified or supervised by a certified applicator. The State Pesticide Certifying Agency, usually within the State's Department of Agriculture, is responsible for certifying applicators. EPA approves State programs for certification of applicators. EPA administers



such a program in a few States and on Indian lands not having approved certification programs.

Mr. DURBIN. How is this information different from the information received through the Pesticide Data Program?

Mr. BAY. Information obtained through the Pesticide Data Program is specific for only selected fruit, vegetable, and nut crops and is much more detailed. For example, we collect fertilizer, acreage and production, field and block level data, operator characteristics, target pests, and other detailed data that different agencies need to properly carry out their analyses. We also conduct a follow-up economic survey on a sample of these same producers to provide the Economic Research Service with data to link chemical usage information with economic inputs.

The restricted use pesticide survey will be a whole farm approach directed at all agricultural pesticide use that is not covered in our ongoing pesticide use surveys. This would include pesticides used on all crops and pastures and include other agricultural pesticide use such as in grain storage facilities.

Mr. DURBIN. What would be the total cost to both your agency and EPA to fully implement Section 1491?

Mr. BAY. The additional \$2.9 million we are requesting in FY 1995 budget will enable us to fully implement NASS's responsibility to Section 1491. We are told by EPA officials that the \$1.8 million is sufficient to fulfill their obligation.

Mr. DURBIN. What will the impact be if you don't receive this funding increase?

Mr. BAY. If we do not receive the funding we will not be in a position to conduct a nationwide agricultural pesticide use survey and will, therefore, not be able to comply with Section 1491. There would be a major void in information about the total amounts and types of pesticides used in important agricultural activities. There would continue to be no pesticide use information on animal pest control, forestry, nurseries, and seed treatment applications. Many crops such as oats, barley, hay, and pastures are not included in the current surveys. We would not be able to survey the commercial applicators who apply pesticides to off-farm agricultural products.

#### PESTICIDE DATA PROGRAM

Mr. DURBIN. In a similar area of concern, the pesticide data program, I see that you are asking for \$3.3 million to allow you to expand the survey to include additional States and crops. Is that correct?

Mr. BAY. That is correct.

Mr. DURBIN. Can you tell me why this is being requested?

Mr. BAY. This also is a request from EPA because they feel that we are not providing them as complete coverage as they would like, particularly in the minor commodities and special commodity areas. When they look at re-registration without having factual information on the amount of use that is being made of chemicals, they feel they do not have adequate information to know what kind of resources they should put into reviewing certain chemicals.

Mr. DURBIN. For the record, describe the work you currently do under the Pesticide Data Program, including the States and commodities that are covered.

Mr. BAY. I will provide that information for the record.

[The information follows:]

The current Pesticide Data Program consists of surveying major fruit and vegetable crops in the leading producing States on a cyclical basis. The work is conducted in two stages. In the first stage, we conduct face-to-face interviews with approximately 10,000 growers to obtain comprehensive data on pesticides used, acres treated, application rates, number of applications, farm operator information, and acreage and production data. During the second stage, conducted about two months later, we collect economic and labor information from a sub-sample of the original sample. NASS publishes the results of the chemical usage survey and provides the economic data to the Economic Research Service to meet its responsibilities imposed under the Pesticide Data Program. The States and commodities covered in the 1993 fruit chemical use survey were:

STATES: CA, FL, MI, NY, NC, OR, PA, SC, and WA.

COMMODITIES: Apples, apricots, avocados, blackberries, sweet and tart cherries, dates, figs, grapefruit, grapes, kiwi fruit, lemons, nectarines, olives, oranges, peaches, pears, plums/prunes, raspberries, tangelos, tangerines, and temples.

The States and commodities covered in the 1992 vegetable chemical use survey were:

STATES: AZ, CA, FL, GA, IL, MI, MN, NC, NJ, NY, OR, TX, WA, and WI.

COMMODITIES: Asparagus, bell peppers, broccoli, cabbage, cantaloupes, cauliflower, celery, cucumbers, eggplant, green peas, honeydews, lettuce, lima beans, dry onions, snap beans, spinach, strawberries, sweet corn, tomatoes, and watermelons.

Mr. DURBIN. This increase will be used to expand coverage to 13 additional States and 10 new commodities. Would you tell us which States and commodities will be added to the program?

RESPONSE. I will provide the information for the record.

[The information follows:]

Additional States and commodities planned for FY 1995 are:

STATES: AL, AR, IN, LA, MD, MS, MO, OH, OK, PA, SC, TN, and VA.

The 10 commodities are:

COMMODITIES: Peanuts, sugarcane, sweet potatoes, pumpkins, radishes, squash, turnip greens, collards, kale, and mustard greens.

Mr. DURBIN. Is the goal of the program to eventually cover all 50 States and commodities? What would be the cost of doing this?

Mr. BAY. It is not our goal to cover all 50 States. We believe it will be more efficient, both in terms of fund and in obtaining useful data, to cover 80-85 percent of the Nation's fruit and vegetable acreage and then target specific crops for which the Environmental Protection Agency and other agencies have a particular need. These needs will continue to change depending on public concern and other environmental activities. The cost to cover all 50 States would be approximately \$10.0 million, or \$3.3 million beyond what will be available if this initiative is funded.

Mr. DURBIN. How does this activity differ from what AMS described to us yesterday?

Mr. BAY. NASS is responsible for measuring through statistical surveys the actual use by farmers. In this case, our surveys are of commodities that are consumed by people, fruits and vegetables, nuts, and some of the food grains.

AMS is responsible for measuring the residue that exists on those commodities when they are ready to be consumed. There is a complete difference between those two. We are measuring what pesticides are actually being used by the producer.



Mr. DURBIN. I think we are going to have another hearing to follow through with what you and the other agencies involved are doing in this area.

Mr. BAY. We would be glad to do that.

Mr. DURBIN. I would like to know how this information eventually becomes of practical value to consumers and whether or not the data that you collect, is going to lead us to some changes in policy or recommended changes in policy. I think the specter of chemical residue and pesticide use is always there but we are trying to translate that into meaningful information for consumers as to whether or not they should have a concern and you are obviously a part of that whole dialogue in terms of what you are doing.

[CLERK'S NOTE.—Mr. Bay's statement appears on page 713 through 722. The explanation notes appear on pages 723 through 742.]

[Additional questions and responses follow:]

#### STATE OFFICE OPERATIONS

Mr. DURBIN. You operate through 45 State Statistical Offices, servicing all 50 States. Twenty-four of these offices are collocated with other State Departments of Agriculture or land-grant universities. Describe in detail how these offices operate.

RESPONSE. NASS maintains a State level statistical program jointly with all 50 States through cooperative agreements with State Departments of Agriculture, land-grant universities, and agricultural industry groups. The various cooperative agreements specify a State level of support that includes staff, travel, space, equipment, supplies, postage, and other items needed to support the statistics program. Twenty-four NASS State offices are located in space belonging to either the State Department of Agriculture or land-grant university. This does not imply that the level of State support or cooperation is different in the other 21 state offices which happen to be located in Federal space. NASS State offices are all operated under the supervision of a Federal employee known as the "State Statistician" with a core group of Federal employees. In addition, many offices have State paid employees who also operate under the general supervision of the State Statistician. These joint State-Federal programs prevent duplication of effort between State and Federal entities and provide State-level agricultural information that is statistically consistent with the national-level products. State funds allow NASS to meet special local needs for information and statistical services within the framework of the national program. This cooperation with the States generates information efficiently, lightens the reporting burden of farmers and agribusinesses, and maintains consistency and accuracy of information furnished by public agencies.

Mr. DURBIN. Are the employees that work out of these offices Federal employees?

RESPONSE. There is a mix of Federal and State employees. The current breakdown is 80 percent—and 20 percent—respectively.

Mr. DURBIN. Of the offices that are collocated, provide a ten-year table showing the State and Federal contribution including estimates for fiscal year 1994.

RESPONSE. The following is a 10-year table showing the State and Federal contribution including estimates for fiscal year 1994.

#### FUNDING OF NASS STATE OFFICES

(Dollars in millions)

Year	24 NASS State offices collocated in cooperator space			All NASS State offices in coopera- tor or Federal space		
	Federal	Cooperator	Total	Federal	Cooperator	Total
1985 .....	\$18.2	<sup>1</sup> \$6.1	\$24.3	\$37.3	<sup>1</sup> \$9.3	\$46.6
1986 .....	17.8	<sup>1</sup> 6.3	24.1	35.2	<sup>1</sup> 9.6	45.8
1987 .....	18.5	<sup>1</sup> 6.2	24.7	35.8	<sup>1</sup> 9.8	46.6
1988 .....	19.2	6.1	25.3	37.9	9.7	47.6
1989 .....	20.3	7.2	27.5	39.5	10.9	50.4
1990 .....	20.8	7.9	28.7	41.4	12.1	59.5
1991 .....	23.8	8.2	32.1	47.3	12.2	59.5
1992 .....	28.6	8.2	33.8	50.3	12.3	62.7

## FUNDING OF NASS STATE OFFICES—Continued

[Dollars in millions]

Year	24 NASS State offices collocated in cooperator space			All NASS State offices in coopera- tor or Federal space		
	Federal	Cooperator	Total	Federal	Cooperator	Total
1993 .....	23.5	8.0	31.5	46.6	12.1	58.7
1994 .....	24.5	7.7	32.2	46.7	12.2	58.9

<sup>1</sup> Estimated.

## NASS/NASDA COOPERATIVE AGREEMENT

Mr. DURBIN. Enumerators employed by the National Association of State Departments of Agriculture, NASDA, collect the survey data from the agriculture sector that are used in the statistical estimates. Your agency provides these enumerators with training and technical assistance and reimburses NASDA for their salaries and expenses. In fiscal year 1993 this amounted to 21 percent of your budget or almost \$17 million. Are the employees considered Federal employees? Do they receive any Federal benefits?

RESPONSE. They are not Federal employees and do not receive any Federal employee benefits.

Mr. DURBIN. Describe in further detail how this cooperative agreement operates.

RESPONSE. The NASS/NASDA cooperative agreement is an extension of the Federal-State cooperative agreements in place in each State. NASDA has several objectives—the following two are pertinent to the cooperative agreement:

One, to develop, in a spirit of mutual teamwork, cooperation between Federal, State and territorial agencies with respect to programs and activities relating to agriculture, and persons interested in and/or engaged in agriculture; and

Two, to enter into agreements with State, territorial or Federal agencies to undertake programs which promote agriculture and further the purposes of the Association.

These objectives led to the NASS/NASDA cooperative agreement in 1972. The program started with 12 States, expanded to 20 States in 1977, and then to the rest of the country in 1978. This agreement furthers the goals of NASS and NASDA to maintain a data collection system that is responsive to the multitude of information needs of agriculture at the national, State, and local levels.

The agreement permits cost-saving survey activities by a high trained corps of enumerators and supervisors, who are the direct contact with America's farmers and ranchers.

Under the terms of the cooperative agreement, enumerators are clearly defined as employees of NASDA—the Cooperator. NASDA enumerators are not Federal or State employees. Enumerators may introduce themselves as working on a specific survey for each—State—Agricultural Statistics Service.

NASDA officials have delegated to the NASDA supervisory enumerators in each State the hiring, supervising, and dismissal authority for enumerators employed under this cooperative agreement.

The agreement is negotiated annually with an operating budget determined jointly.

Mr. DURBIN. Provide a table showing the number of employees that have been used through this NASDA agreement for the last ten years, including estimates for fiscal year 1995. Also, on the same table, show the amount you reimbursed NASDA for these employees and what percent this was of your total budget.

RESPONSE. The following table shows the number of NASDA employees, NASDA agreement amount, and percent of NASS obligations for the last 10 years, including estimates for fiscal year 1995.

[Dollar amounts in thousands]

Year	Number of NASDA employees <sup>1</sup>	NASDA agreement amount	Percent of NASS obli- gations <sup>2</sup>
1986 .....	NA	11,650	18.0
1987 .....	NA	12,275	18.6
1988 .....	3,597	12,900	18.9
1989 .....	3,568	12,600	17.8
1990 .....	3,975	14,270	18.7
1991 .....	4,483	16,896	19.5
1992 .....	4,576	18,000	19.4



[Dollar amounts in thousands]

Year	Number of NASDA employees <sup>1</sup>	NASDA agreement amount	Percent of NASS obligations <sup>2</sup>
1993 .....	4,585	16,900	18.2
1994 .....	<sup>3</sup> 4,300	15,600	17.1
1995 .....	<sup>3</sup> 4,600	<sup>3</sup> 18,970	19.2

<sup>1</sup> The number of employees NASDA issued a W-2 (Includes employees that worked at any time during the year. The peak number of employees working at any one time is during the first two weeks of June when approximately 2,500 enumerators are utilized nationwide). NASDA indicates the data prior to 1988 are in long-term storage and would require additional time and expense to provide.

<sup>2</sup> Obligations include NASS appropriations plus incoming reimbursements for services provided by NASS.

<sup>3</sup> Estimates.

#### SURVEY COSTS

Mr. DURBIN. I know the cost of doing surveys can vary greatly depending on the detail of information being requested and the overall sample size, but can you tell us what the average cost is to do one of your surveys? Maybe you can take your least expensive survey, your most expensive survey, and a couple of typical routine surveys and describe them, their methodology, and total cost.

RESPONSE. The following is a brief description of methodology and costs for the June Agricultural Survey (JAS), the objective yield surveys, aquaculture surveys, and the Farm Injury Survey.

The JAS is the base survey in the Quarterly Agricultural Survey cycle and provides State, regional, and national estimates for hogs, grain stocks, crop acreages, land in farms, and number of farms. In fiscal year 1993, approximately 126,000 farms were sampled. Data were collected by mail, telephone, and personal enumeration interviews. The cost of data collection was \$3.33 million or \$26.50 per sample. Total direct survey costs, including the data edit, analysis, summary, computer processing, and staff time, were \$5.10 million. This excludes survey infrastructure or overhead items like the area and list sampling frames from which the survey samples are selected.

The objective yield surveys provide monthly and annual survey acreage, and yield indications for seven major crops: corn, soybeans, cotton, winter wheat, spring wheat, durum wheat, and potatoes. Surveys are conducted monthly from June until the end of the growing season, except winter wheat which begins in May. One or more crops are surveyed in 27 States. All data collection is by personal interview with trained enumerators visiting the selected sample fields on a monthly basis. The number of visits to a field vary with the crop and locale, ranging from one visit for wheat in the Southern States to as many as seven visits for cotton. In 1993, a total of 8,980 samples were enumerated with a data collection cost of \$1.96 million. Average cost per sample may not be very meaningful as it varies greatly by crop and region but computes to \$218 per sample. Total direct survey costs, excluding survey infrastructure costs, were \$2.98 million.

The aquaculture surveys collect data for catfish and trout production and inventories. Catfish surveys are conducted in January and July in 15 States and in April and October in the 4 major catfish-producing States. Trout surveys are conducted in 15 States in September only. The aquaculture survey methodology resembles a census where all known producers are contacted.

The list information is updated annually from various sources. Data are collected primarily by mail and telephone. About 5,000 producers were contacted in FY 1993 and data collection costs for all aquaculture surveys were \$66,000 or \$13.20 per contact. Total direct survey costs amounted to \$155,580, not including survey infrastructure or estimating program costs.

The Farm Injury Survey is a reimbursable survey sponsored by the National Institute of Occupational Safety and Health designed to collect data on the number and type of farm injuries. The survey will cover a 3-year period beginning in 1994 with data collected primarily by mail for one-third of the States each year. Approximately 25,000 operations will be contacted yearly with data collection costs expected to be \$55,000 in FY 1994 or \$2.20 per sample. This survey has an anticipated mail response rate of 45 percent compared with 85 to 90 percent for the other surveys described. To increase this response rate, additional telephone and personal contacts would be required, substantially increasing the cost per sample.

#### DISTRIBUTED DATA BASE SYSTEM

Mr. DURBIN. You are proposing to reduce mainframe processing costs by distributing the farm list maintenance and survey processing systems to local area networks

or LAN's. How much are your mainframe processing costs currently and what will these costs be after the transfer to LAN's?

RESPONSE. The FY 1994 estimate for mainframe processing costs is \$4.4 million. NASS expects the costs to drop to the \$3.0 million to \$3.5 million range after conversion to the LAN's. These savings will be partially offset by additional staff and computer maintenance costs associated with running the LAN data bases. The net savings is expected to be about \$500,000.

Mr. DURBIN. In addition to reducing costs, you state this initiative will make the list frame system more responsive to changes in survey procedures. Why is this?

RESPONSE. The current list frame system is comprised mainly of outdated, main-frame batch technology that provides a rigid and restrictive interface with end-users. For example, a survey technician wishing to design, sort, and print mailing labels in preparation for a survey has limited options for formatting the labels unless the technician is willing, and sufficiently skilled, to do some fairly complex programming. As we move the list frame system to a LAN environment, we plan to look at every function of the system in light of new uses and demands, and to re-engineer the process to be flexible and responsive to changing survey needs.

Mr. DURBIN. The increase of \$1.1 million would cover consulting assistance and the purchase of the technology needed to distribute the data base systems to the LAN's. How much of the increase would go for consulting assistance and how much to purchase the technology?

RESPONSE. Approximately 20 percent of the \$1.1 million would go for consulting assistance, and the remaining 80 percent would go to purchase the technology.

Mr. DURBIN. Will you contract out for the consulting assistance you need or will you use the Department's expertise in the Office of Information Resources Management?

RESPONSE. NASS has been using a consulting firm for assistance in the analysis and design of the list maintenance system. We plan to continue to use this contract, which has been approved by the Office of Information Resources Management.

Mr. DURBIN. Once the LAN-based system is in place, will there be less of a need for hired enumerators?

RESPONSE. Use of historical data, as envisioned once the LAN-based system is in place, should reduce multiple contacts with the same operator, this reducing respondent burden and some enumerator workload. This will also have a positive impact on data quality through the edit and analysis processes after data collection.

Mr. DURBIN. What is the total cost of this project and when do you anticipate its completion?

RESPONSE. The total nonrecurring cost of the project is estimated at \$3.7 million. We anticipate its completion by the end of 1996.

#### CHEMICAL USE DATA

Mr. DURBIN. At the request of the Environmental Protection Agency and others, you are also proposing to begin collecting chemical use data on commodities after they leave the farm. In the first year, you will collect chemical use data in 13 States on apples and potatoes between the farm and market. What are your long-term goals?

RESPONSE. We will shift to other commodities such as oranges, grapefruit, peaches, etc., depending on the need from EPA and others who need post-harvest usage data. We plan to cover at least two commodities each year by using a rotation procedure.

Mr. DURBIN. Will EPA and/or other agencies requesting this information reimburse your agency for this work?

RESPONSE. Neither EPA or any other agency has come forward to fund surveys to collect agricultural chemical use data.

Mr. DURBIN. How much of your requested increase will go to expand the Pesticide Data Program and how much will go to begin the new initiative of collecting pesticide use data between the farm gate and market?

RESPONSE. Approximately \$2.7 million will be used to expand the Pesticide Data Program and \$600,000 will go for collecting pesticide use data between the farm gate and market.

Mr. DURBIN. What were the EPA and FDA fiscal year 1995 budget requests for the Pesticide Data Program?

RESPONSE. The Pesticide Data Program is a USDA initiative which has been coordinated with EPA and FDA, but no funding was ever provided to these agencies to support the Pesticide Data Program.



## ELECTRONIC CHEMICAL USE DATA BASE

Mr. DURBIN. At last year's hearing, you stated that all 1991 and 1992 pesticide use data should be loaded electronically and a menu of standard retrieval selections created by the end of December 1993. What is the status of this initiative?

RESPONSE. We have all of the 1991 and 1992 field crops data loaded both at the aggregate level and the micro level. We are currently working on the vegetable data which were delayed because of a different summary system. We plan to have all 1991 and 1992 data loaded by September 1994. We also plan to have the menu retrieval system at the aggregate level available at the same time.

## REIMBURSABLE SURVEYS

Mr. DURBIN. You collect data for a number of agencies, both within the Department and outside the Department. The work you do for the Economic Research Service, which is the agency that performs economic analysis of your surveys, is projected to decrease substantially in fiscal years 1994 and 1995. What impact will this have on your agency and the farm community?

RESPONSE. I will comment first on the impact on NASS and follow with the impact that a modified program might have on the farm community.

The amount of ERS funding for data collection has already decreased significantly. This reduction directly affects the number of staff NASS can support with reimbursable funding. Since savings due to staff reductions are difficult to obtain in the year incurred, NASS has had to effect significant reductions in replacement equipment, transfers, travel, training, cooperative research, etc.

NASS and ERS have had to drastically reduce sample sizes on all economic surveys and eliminate others. The FCRS sample size has dropped from a level of approximately 24,000 in FY 1992, to 21,000 in FY 1993, and to 14,500 for FY 1994. This will limit publications of certain regional data and ultimately state level farm income data by the Economic Research Service. An additional funding cut would make the published data series available for only U.S. level estimates. This is the only annual survey to assess the economic performance of the farm sector and will-being of the farm population. It is the financial data base used to estimate net farm income, farm household income, costs of production, prices paid indexes and parity prices, farm productivity, and socio-economic and demographic characteristics of farm operators and their households.

The Agricultural Land Values Survey, a long-standing USDA data series with broad interest within the public and private sectors, may also have to be eliminated. In FY 1995, ERS may not be able to fund the data collection needed to support mandated programs such as cost of production. ERS has already reduced the frequency of cost of production surveys and any further reduction would mean that cost information provided Congress for the 1995 Farm Bill will be based, in many cases, on historical data which may not accurately reflect current costs.

Mr. DURBIN. You are planning to do some additional work for the Federal Crop Insurance Corporation in fiscal years 1994 and 1995. Is this a result of the proposed legislation to reform the crop insurance program?

RESPONSE. No. The additional work NASS plans to do for the Federal Crop Insurance Corporation—FCIC—in fiscal years 1994 and 1995 is to support a pilot program under its Group Risk Plan. This did not result from proposed legislation but rather a part of a research effort by FCIC in testing an alternative insurance program.

Mr. DURBIN. You conducted a farmer opinion survey for the Office of Public Affairs in fiscal 1993. What was the purpose of this survey?

RESPONSE. The survey was conducted to provide the Office of Public Affairs with customer service type data to be used to improve the USDA information distribution process.

Mr. DURBIN. Describe the work you are doing for the Environmental Protection Agency on agroecosystems and water quality.

RESPONSE. EPA's main water quality research is in the area of predicting the relationship between drinking water and the pesticides used in a specific locality. The pesticide use information that NASS publishes is used by EPA in its risk assessment of specific chemicals. EPA also utilizes NASS pesticide use data in its analysis for reregistration of various pesticides. The surveys that EPA relies on include those funded by the USDA Pesticide Data Program and those funded by ERS with their water quality appropriation.

Mr. DURBIN. Provide a list, for the record, of all surveys done on a reimbursable basis.

RESPONSE. The following is a list of the surveys done on a reimbursable basis for fiscal year 1993.

**NATIONAL AGRICULTURAL STATISTICS SERVICE**  
**Reimbursable Surveys FY 1993**

<u>SOURCE</u>	<u>PROJECT</u>
Agricultural Marketing Service	Milk Price Data
Animal and Plant Health Inspection Service	National Animal Health Monitoring System Animal Damage Control
Agricultural Stabilization and Conservation Service	Feed Grain County Estimates Wool and Mohair Stocks
Economic Research Service	Cropping Practices Farm Costs and Returns Farm and Rural Land Market Land Use Data Land Values Area Studies Chemical Use and Farm Financial Survey Water Quality
Federal Crop Insurance Corporation	County Estimates
Forest Service	Grazing Fees
Office of Public Affairs	Farmer Information Survey
Environmental Protection Agency	Environmental Monitoring and Assessment Program
Department of Interior, Bureau of Land Management	Grazing Fees
National Institute of Occupational Safety and Health	Farmer Injury Survey
State Departments of Agriculture	Crop Reporting Services



## COOPERATIVE RESEARCH

Mr. DURBIN. Describe the cooperative research program you operate.

RESPONSE. NASS conducts a cooperative research program with several universities and other Federal agencies. The program is designed to provide high quality research at the lowest cost by using the staffs and facilities of the cooperating institutions on a part-time project specific basis.

Current Topics and Institutions are:

Topic	Institution
Vegetative Index Maps of United States .....	Agricultural Research Service.
Response Bias in Agricultural Surveys .....	North Carolina State University.
Estimation of Agricultural Items Using Multi-Year Data and Post-Stratification Techniques.	University of Houston—Clear Lake.
Small Area Estimation of Agricultural Products .....	The Ohio State University.
Survey Design and Estimation .....	Iowa State University.
Models for the Nonresponse Mechanism and Imputation .....	Pennsylvania State University.

## OTHER SERVICES

Mr. DURBIN. Provide a sub-object class breakout for object class 25.2; "Other Services," for fiscal year 1994 and 1995.

RESPONSE. The following is a sub-object class breakout for object class 25.2 (appropriated portion only) for fiscal years 1994 and 1995.

## NATIONAL AGRICULTURAL STATISTICS SERVICE—OTHER SERVICES, FY 1994–95

	Fiscal year—	
	1994	1995
Agreement with the National Association of State Departments of Agriculture (NASDA) for data collection work .....	\$14,054,000	\$17,724,000
Training (Regular-nonspecialized) .....	315,000	317,000
ADP .....	4,564,000	4,368,000
State Cooperative agreements (excluding ADP) .....	1,047,000	1,103,000
Maintenance agreements for machine repair .....	216,000	227,000
Miscellaneous .....	634,000	667,000
Total .....	20,830,000	24,406,000

## NEW SUB-OBJECT CLASSES

Mr. DURBIN. Two new object classes; 25.3, "Purchase of Goods and Services from Government Accounts," and 25.5, Research and Development Contracts," appear on the object class table this year. Please describe what these are and tell us why they appear for the first time this year.

RESPONSE. "Purchase of Goods and Services from Government Account," is an object class that includes obligations for the purchase of services, supplies, and materials from other Federal agencies. "Research and Development Contracts," includes obligations for research and development contracts with organizations that are not Federal agencies or Government-owned contractor operated facilities. These object classes appear for the first time this year because of new instructions that appeared in the August, 1993 revisions of OMB's "Preparation and Submission of Budget Estimates," Circular No. A-11. These two object classes were previously shown in object class 25.2, "Other Services."

## SUPPLIES AND MATERIALS

Mr. DURBIN. You propose a sizable increase in supplies and materials in fiscal year 1995. Tell us what this is for.

RESPONSE. The increase in supplies and materials for fiscal year 1995 is due to the purchase of software for the Distributed Database System Initiative.

## FUNDING TRANSFER

Mr. DURBIN. The budget reflects a transfer of \$14,000 to the Office of Advocacy and Enterprise. Is this a permanent transfer?

RESPONSE. Yes, this is a permanent transfer. It is due to the reorganization of the Economics agencies' equal employment and civil rights functions.

## OIG AUDIT

Mr. DURBIN. The Office of the Inspector General performed an audit in August 1993 titled, "National Agricultural Statistics Service Management and Control of Local Area Networks and Statistical Forecasting Data." Briefly describe this audit. What were the recommendations made as a result of this audit? What is the status of your implementing these recommendations?

RESPONSE. The audit was directed at the security controls implemented over sensitive statistical data and the security and management of the LAN's and mainframe computers. The OIG report contained 14 recommendations based on their findings. The recommendations included designating additional commodities as speculative, requiring additional personnel to file financial disclosure forms, and encrypting data transmission of additional commodities. There were several general security recommendations such as following existing controls for data encryption, improve the physical handling of sensitive data, assign unique passwords, and provide better security over the LAN workstations. NASS was also asked to prepare contingency plans for all locations and to limit access to data on the mainframe. Management decisions were reached on all issues and the required changes have been completed or will be completed this fiscal year.

## 1993 FLOOD DAMAGE ASSESSMENT

Mr. DURBIN. The Agency intensified its monthly survey efforts for the nine Midwestern States hit by the floods in 1993 to determine the effect on crop acres planted and to be harvested. What were the results of these surveys?

RESPONSE. The June midyear acreage survey showed 82.1 million acres of corn and soybeans were expected for harvest in the nine midwest States. The intensified monthly survey effort provided valuable data for determining updated planted and harvested acreage estimates in August and then measuring additional losses later in the season. The August "Crop Production" report showed corn and soybean harvested acres in the nine States were reduced 7 percent and 11 percent, respectively, to a combined total of 75.0 million acres. The special surveys, along with some ASCS data, helped establish the proper acreage level in August. The end-of-year estimate of corn and soybean harvested acres in the nine States totaled 74.7 million acres, down only 0.3 million acres or 0.4 percent from the August estimate.

## SPECIAL STATE SURVEYS

Mr. DURBIN. In fiscal year 1993, your agency conducted 125 special surveys. Provide the Committee with a list of all the surveys you perform; the total cost of each, including any funding contributed by other sources; how long you have been doing the survey; the need for it; and identify those that are Congressionally mandated.

RESPONSE. NASS reimbursable surveys are broken into two categories: one, national reimbursable surveys primarily done for other Federal agencies and conducted on a U.S. or regional basis and two, State reimbursable surveys primarily conducted on a State or regional basis within a State. The 125 special surveys refers to surveys and service projects performed for State cooperators and industry groups on a cost reimbursable basis. The surveys are not Congressionally mandated, thus the need for State and industry funding. Most of these are one-time surveys, but some are done on a continuing basis as part of the State or industry's effort to strengthen the local statistics program at the district or county level or to provide estimates for a commodity not included in the Federal program. NASS also does some service projects such as cooperator approved informational mailing for commodity organizations. We have listed the States and industry reimbursable agreement projects done in fiscal year 1993. In some cases, the agreement includes several projects or surveys which are done under one umbrella agreement.

Following is a list for FY 1993 special surveys and the total cost of each survey.

## FY 1993 SPECIAL SURVEYS

STATE	NO. OF SPECIAL SURVEYS	SURVEY NAMES(S)	TOTAL COST
AK	1	Oats and Barley Stocks	\$600
AZ	1	Corn and Barley Pesticide	4,000
CA	7	Grape Crush Statistics	50,000
		Walnuts	
		Raisins	
		Prunes	
		TOTAL 3 SURVEYS	50,000
		Grape Acreage	50,000
		Fruit Acreage	109,914
		Fruit Nut Production/Prices	65,000
CO	4	Wheat Varieties	
		Livestock Shipments	
		Irrigation	
		County Estimates	
		TOTAL 4 SURVEYS	65,000
DE	3	Vegetable	
		Ag Land/Farm Finance	
		TOTAL 2 SURVEYS	17,000
		Informational Mailing	100
FL	3	Vegetable Cultural Practices	6,900
		Vegetable Acreage	3,000
		Livestock County Estimate	4,200
GA	1	Nursery Survey	10,000
ID	4	Wheat Quality	7,000
		Wheat Variety	2,000
		Dry Bean Pesticide Use	12,000
		OPA Farmer Information	7,400
IL	3	Corn and Soybeans Chemical Use	10,000
		Mine Reclamation Yield Project	27,000
		Wool Stocks	1,900

IN	5	Farm Finance	750
		Farmer Disability	825
		Popcorn Estimates	525
		Turfgrass Pesticide	12,600
		List Frame County Assessor	21,000
IA	7	Farm Inquiry	8,668
		Farm Leasing	14,352
		Hog Facilities	5,631
		Farm Finance	6,822
		Public Health	10,816
		Ottumwa Hospital	5,282
		Mercy Health	30,006
KS	12	State Farm Census	4,750
		Wheat Varieties	4,800
		Custom Rates	3,800
		Blue Stem Pasture	1,850
		Farm Bankruptcies	2,000
		Grain Marketing/Transportation	9,300
		Farmland Values	300
		Alfalfa Pesticide	17,000
		Horticulture	1,640
		Urban Pesticide	2,435
		Wheat Quality	2,000
		Wheat Baking Research Project	4,140
KY	1	Burley Tobacco Objective Yield	7,000
MD	3	Grain/Livestock Weekly Report	11,750
		Seafood Directory	3,300
		Aquaculture	500
MI	4	Agricultural Coop Opinion	2,500
		Rotational Surveys	60,000
		(Fruit/Vegetable)	
		Chemical Objective Yield	50,000
		Equine	5,200
MN	6	Barriers to Health Care	6,633
		Alfalfa	5,040
		Cancer Control	1,000
		Oat Varieties	1,785
		County Estimates	12,000
		Aquaculture	5,000
MS	4	National Forest Ownership	10,000
		Black Bear	500
		Crop Production/Prices	60,800
		OPA Farmer Information	7,600



MO	3	Soybean Mailing	1,600
		Pesticide Survey	7,200
		Soybean Merchandising Council Newsletter	1,797
MT	2	Farm and Ranch	2,400
		State Lands	6,209
NE	1	Beef Council Mailings	4,000
NV	2	Trichomoniasis Vaccine	1,500
		County Estimates	2,500
NH	6	CN Annual Bulletin	1,200
		ME Annual Bulletin	1,200
		MA Annual Bulletin	1,700
		NH Annual Bulletin	500
		VT Annual Bulletin	800
		ME Fruit Tree Inventory	1,000
NJ	2	Rutgers Farm Commission Project	15,000
		Vineland Auction Prices	7,000
NM	2	Annual Bulletin	2,000
		Chili Peppers	600
NY	7	Vegetable Estimates (7 Surveys)	45,000
NC	2	Tobacco Harvest	20,000
		Crop/Livestock Statistics	8,500
ND	4	County Estimates	16,000
		Land Rents	4,500
		Pesticide Usage	11,900
		Livestock Finance	1,100
OH	4	Grain Drying	1,800
		Farm Family Health	66,223
		Chemical Use	14,000
		Longitudinal	24,000
OK	2	Forest Land Ownership	4,500
		Wheat Quality	500
OR	6	Wheat Variety	3,000
		Wine Grape Survey	8,500
		Caneberry	3,500
		Hazelnut	16,000
		Wheat Quality	6,000
		Nursery	10,000
PA	1	PA County Data	88,000

SC	2	Vegetable Crops	8,000
		Greenhouse Products	4,000
TX	7	Cattle Ranch Worker Wage Rates	18,000
		District/County Crop Estimates	92,000
		Wage Rates Sheep and Goat	8,500
		Custom Rates	4,000
		Custom Rates	6,000
		Citrus Tree Acreage	10,000
		Turfgrass	7,000
UT	2	County Estimates	10,000
		Sheep Loss Estimates	1,000
VA	1	Nursery	6,688
WA	4	Fruit Tree Inventory	20,000
		Wheat Variety	1,700
		Hop Estimates	2,500
		Wheat Quality	8,500
WV	2	Pesticide/Fertilizer Use	15,282
		Consumer Awareness	5,000
WI	8	Rural Cancer	30,000
		Farm Mediation	600
		Equine	9,450
		Cranberry Economic	14,600
		Skin Cancer	1,600
		Health Insurance	4,400
		Family Farm Institute	91,600
		Market Division	2,050
WY	3	Grazing Survey	300
		Sheep and Lamb Losses	3,000
		General Crop	19,500

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 1,741,413

## BUDGET REQUESTS

Mr. DURBIN. Provide a breakout of your budget request to the Secretary, what the Secretary's request was to OMB, and what was the OMB allowance?

RESPONSE. On a comparable basis a budget of \$92,029,000 was submitted to the Secretary who recommended a budget of \$89,723,000 to OMB. The OMB allowance is \$89,500,000.

## DISCONTINUED REPORTS

Mr. DURBIN. During fiscal year 1993, you discontinued two report, "The Monthly Celery Report" and "The Farm Production Expenditures Report," and reduced the frequency of two reports, "The Farm Labor Report" and "The Vegetables Report." Who uses these reports and what has been the impact of these reductions and eliminations?

RESPONSE. The *Vegetable* reports cover both vegetables for processing and for fresh market. Both sets of data are primarily used by producers, researchers, lobbying organizations, and government officials. The processing vegetable portions of the vegetable reports are also of value to the processing industry. Data for fresh market production are basically "after the fact" and are of limited price discovery value to the fresh market industry. The number of subscribers to the monthly *Celery* report was small. Based on the public response received after the report was discontinued and celery data made available only in the *Vegetables* reports, we conclude the impact of the discontinuance was minimal. Although the frequency of *Vegetable* reports was reduced, the amount of information available was not. The data that appeared in the discontinued *Vegetable* reports have been incorporated in either earlier or later issues.

The "Farm Production Expenditures" report was not discontinued but was published in September 1993 using a new format. Published data now represent official estimates adopted under USDA review procedures that take into consideration both survey estimates and related official estimates. Farm expenditure estimates were published for 17 major production expenses at the U.S., region, crop and livestock sector, and farm economic size levels. These data are used by farmers, analysts, policymakers, extension economists, farm suppliers, and agriculture organizations and commodity groups.

The "Farm Labor" report returned to a quarterly publication cycle beginning in January 1993 with no significant impact on data users. The publication of selected State-level employment and wage rate estimates, initiated during the monthly program, was continued. In addition, annual average wage rate estimates for all States were published as a new data series. Data users indicated detail was more important than data frequency. Primary data users include economists, government agencies, legislators, and farm and labor organizations.

Mr. DURBIN. Do you plan to discontinue or eliminate any reports during fiscal year 1994? If so, please list them for the record, showing the frequency of the report, the total number of copies printed each year, and the reason for the discontinuation or elimination.

RESPONSE. NASS has no plans to discontinue or eliminate any reports during fiscal year 1994. However, we do plan on eliminating sugar and molasses production statistics from the June "Crop Production" and the "Crop Production Annual." Sugar data are obtained monthly by ASCS and included in its monthly "Sweetener Market Data" report. By dropping these data, NASS is reducing respondent burden and duplication.

## WATER QUALITY AREAS STUDIES

Mr. DURBIN. What were the results of the four Economic Research Service-funded Water Quality Area Studies Projects that were completed in fiscal year 1993?

RESPONSE. NASS was responsible for collecting and editing the information and documenting the procedures used while ERS was responsible for analysis and report writing. NASS is currently preparing the information for delivery to ERS, which is scheduled for May 1, 1994. Results of past studies have been published in the "RTD Update" by ERS.

Mr. DURBIN. Thirteen water basins have been studied in the last four years. What is the purpose of this project? Are there additional water basins slated to be studied?

RESPONSE. There were three primary purposes of the Area Study Project. They were: (1) to provide chemical use and farming practice information for selected sites to aid in the understanding and relationships between farming activities and ground water quality for a variety of agroenvironmental settings; (2) to sample a wide range



of farming practices and resource characteristics using a consistent approach to provide for cross-comparisons and a comprehensive analysis of the national impact of alternative farm policies; and (3) to stimulate development of economic models that reflect the producer's decision making process—behavioral response functions—so that the “people part” of the problem can be properly accounted for in policy analysis and development.

ERS reimbursable funding has not been allocated for further sites. However, two more water basins have been identified as possible sites. These areas are the Red River Valley—South Dakota, Minnesota, North Dakota, and the Lake Erie, Lake Saint Claire Drainage—Michigan, Ohio and Indiana. The area study sites were selected from the 60 USGS National Water Quality Assessment sites for intensive study.

#### DATA USERS MEETINGS

Mr. DURBIN. During fiscal year 1993, Public Data Users meetings were held in four States, providing a forum for the public to review current reports and estimating procedures and to allow suggestions for improving the agricultural statistics program. How well were these meetings attended? What resulted from having them? Do you plan to hold additional meetings during fiscal year 1994?

RESPONSE. During fiscal year 1993 four Data Users meetings were held across the United States to receive comments and suggestions on NASS speciality commodities, farm labor, and agricultural chemical use. Over 100 data users participated in the meetings and an additional 20 mailed in comments to be part of the written proceedings. In general, data users wanted more detailed data or additional data, such as data by variety for apples or data on fruits, vegetables, and specialty crops that are not part of the NASS estimating program. NASS has tried to meet the needs of as many data users as possible. Within the last two years, estimates for 19 vegetables and fruits—namely berries—and four minor oilseeds have been added. Even with the funding reduction for FY 1993, NASS concentrated on reducing the frequency of some of its reports rather than discontinuing all estimates for any commodities.

For fiscal year 1994, NASS held three regional Data Users meetings to receive input on its economic data program. About 95 participants attended the meetings. The participants generally wanted more detailed and local level economic data. Many data users were concerned over the quality or “thinness” of economic data now collected since the sample for the annual Farm Costs and Returns Survey was reduced this year because of reduced funding for the ERS.

#### INFOSHARE PROJECT

Mr. DURBIN. The explanatory notes talk about a project to simplify and improve the process for transfer of data from the Agricultural Stabilization and Conservation Service—ASCS. The budget proposes a \$90 million increase under Departmental Administration to initiate a project called InfoShare, which will consolidate the ADP systems in the field to support the reorganization of USDA and the one-stop shopping concept for the farmer. Since you rely on ASCS for data, are you involved with the INFORSHARE project?

RESPONSE. Yes, our ASCS liaison is serving in an advisory and review capacity on the Common Client Name and Address Fast Track Project. The primary NASS role in this endeavor is to share knowledge and experience in the development of relational data bases. A secondary role is to ensure the continuity of the data sharing activity between NASS and ASCS. However, NASS is prohibited from sharing data it collects from farmers and ranchers because of its pledge of confidentiality to respondents. This is consistent with procedures of all Federal statistical agencies.

#### CALIFORNIA PESTICIDE REGULATORY PROGRAM

Mr. DURBIN. You are evaluating the use of the California regulatory program information as a replacement for collecting environmental information. Explain, in further detail, California's program and what you hope to accomplish.

RESPONSE. In 1990, the State of California implemented monthly reporting of all agricultural pesticide use to the County Agricultural Commissioner. The California program experienced serious difficulties in initial development and is just starting to correct problems with the design of the reporting system. The goal at NASS is to use the administrative data from the California reporting program in lieu of conducting pesticide use surveys in that State. This will reduce respondent burden and duplication.



## STATISTICAL CONSULTATION AND SERVICES

Mr. DURBIN. Describe the work you did for the Human Nutrition Information Service on sampling designs for future dietary surveys.

RESPONSE. NASS provided statistical consultation to the Human Nutrition Information Service—HNIS—for investigating the possibility of conducting a special survey on dietary intakes of children. NASS was also asked to provide an evaluation of proposals to combine future HNIS and National Center for Health Statistics food consumption surveys.

Mr. DURBIN. Also, describe the work you did in support of the new Environmental Monitoring and Assessment Program at EPA.

RESPONSE. The EPA agroecosystem program is implemented through the Environmental Monitoring Assessment Program—EMAP. The purpose of EMAP is to monitor and evaluate the status, trends, and changes in condition of agroecosystems on a regional and national basis. NASS supports the EMAP-Agroecosystem Program on a reimbursable basis by supplying data collection, sampling, and other statistical consulting services. This past fiscal year, NASS completed a survey of EMAP in Nebraska. Information was collected on crop acreage and production, tillage and irrigation practices, fertilizer and pesticide usage, and other general environmental questions. In addition, soil samples were taken for pesticide residue testing and analyses of nematode populations. Last year NASS collected detailed chemical use and water quality data for EMAP in North Carolina. The results of that survey are providing valuable input into a policy decision on what sampling frame EMAP should use throughout the United States to monitor the agroecosystem.

## HEALTH STATUS OF U.S. LIVESTOCK

Mr. DURBIN. You performed a survey on beef cattle for the Animal and Plant Health Inspection Service to provide scientifically sound and current information on the health status of U.S. livestock. What were the results of this survey?

RESPONSE. The results of the survey were published by the Animal and Plant Health Inspection Service in two reports. The first report, "Beef Cow/Calf Herd Management Practices in the United States," was released in August 1993 and includes national-level—48 States—statistics on beef cattle operations. Examples of the statistics provided in this report are calf crop mortality and morbidity, weaning age and weight, and production practices such as herd identification, injections given, and dehorning and castration. Also included are data on the business structure and financial management tools used by beef cattle operations. The second report, "Beef Cow/Calf Reproductive & Nutritional Management Practices," was published in January 1994 and covers spring calving operations in 18 major beef cattle States. Data are provided on vaccine usage, bull management, calving management, and producer rankings of sources of animal health and beef production information.

## INTERTRIBAL AGRICULTURE COUNCIL PROJECT

Mr. DURBIN. Describe in further detail the work you are doing with the Native American Intertribal Agricultural Council in developing a pilot agricultural survey system.

RESPONSE. The Intertribal Agriculture Council—IAC—and NASS have entered into a cooperative agreement to conduct a pilot agricultural survey of American Indian farmers and ranchers in Montana in June 1994. The IAC is interested in agricultural survey results where American Indian farms and agricultural production are counted by the same definition as all other farms and ranches. Currently only Indian reservation data are collected by the Census Bureau and USDA. NASS plans to publish the results from this pilot survey by August 1994. In addition, NASS will provide a land cover—crop specific—map based on Landsat earth resource observation satellite data for the Crow and Northern Cheyenne reservations in Montana.

## MOTOR VEHICLES

Mr. DURBIN. Of the six motor vehicles on hand, how many are NASS owned and how many are GSA leased?

RESPONSE. The passenger motor vehicle exhibit in the Explanatory Notes shows only NASS owned vehicles. In addition to the six that NASS owns, the agency leases 10 passenger motor vehicles from GSA for the use of its field offices. Passenger motor vehicles are purchased for field offices that do not have a GSA garage in their area.

## INTERNATIONAL TECHNICAL ASSISTANCE

Mr. DURBIN. Last year you provided the Committee with a table showing the breakout of technical assistance provided to other countries for fiscal year 1992. Would you please provide us with a similar table for fiscal years 1993 and 1994?

RESPONSE. The following table lists the countries involved in our technical assistance efforts.

NATIONAL AGRICULTURAL STATISTICS SERVICE  
INTERNATIONAL TECHNICAL ASSISTANCE FY 1993

Country	Type of Assistance	Resources	
		\$000	Staff-Years
Armenia	Short-term statistical consulting	9	.1
Bulgaria	Short-term statistical consulting	50	.5
Morocco	Short-term statistical consulting	59	.5
Nicaragua	Short-term statistical consulting	48	.5
Pakistan	Short- and long-term statistical consulting	210	1.6
Poland	Short-term statistical consulting	95	1.1

NATIONAL AGRICULTURAL STATISTICS SERVICE  
INTERNATIONAL TECHNICAL ASSISTANCE FY 1994  
(Estimated)

Country	Type of Assistance	Resources	
		\$000	Staff-Years
Bulgaria	Short-term statistical consulting	100	1.0
Morocco	Short-term statistical consulting	40	.4
Nicaragua	Short-term statistical consulting	20	.2
Pakistan	Short- and long-term statistical consulting	150	1.3
Poland	Short-term statistical consulting	150	1.5

## PUBLISHED ESTIMATES DATA BASE

Mr. DURBIN. What is the status of the completion of loading all historical estimates into a single data base?

RESPONSE. The data from all current NASS reports are being added to the Published Estimates Data Base, which is the first priority for building a historical data series. When specific data series are initially added, historical data from existing electronic files are utilized, generally providing 5 to 10 years of history immediately.

The major field crops acreage and production and livestock inventory data series have been populated for their entire history. Some commodity estimates series began in 1866. We continue to convert historical publications to electronic media and populate the data base. Some reports are keyed directly to the data base, while other reports are scanned and the data formatted for data base populations.

We are also formatting some of the data in the data base to facilitate data loading and especially data retrieval and presentation to the public user. The value of the data base is in the utility the public gains from having the data in usable electronic form.

## OUTSIDE CONSULTANTS

Mr. DURBIN. Have you employed any consultants during the past year? If so, for what purpose?

RESPONSE. We employed one consultant during FY 1993 who assisted in software evaluation, system analysis, and system design on the list maintenance downsizing project.

## COOPERATIVE AGREEMENTS

Mr. DURBIN. Please provide a list of all cooperative agreements that were signed during fiscal year 1993, indicating the amount of each agreement, as well as description of the purpose of the agreement. Also, provide a list of those planned during fiscal year 1994.

RESPONSE. The following is a list of NASS cooperative agreements and amendments executed during fiscal year 1993 as well as a list of those planned for fiscal year 1994.



Fiscal Year 1993 Cooperative Agreements

<u>COOPERATOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
National Association of State Departments of Agriculture	\$16,900,000	Data Collection
Washington Department of Agriculture	30,500	Crop Reporting Services
Pennsylvania Department of Agriculture	11,500	Assistance in Dissemination of Crop and Livestock Reports
University of Michigan	100,000	Computer Assisted Methodology
Nebraska Department of Agriculture	40,000	Assistance in Dissemination of Crop and Livestock Reports
New Mexico Department of Agriculture	4,500	Assistance in Dissemination of Crop and Livestock Reports
Alabama Department of Agriculture	12,500	Assistance in Dissemination of Crop and Livestock Reports
Idaho Department of Agriculture	58,500	Assistance in Dissemination of Crop and Livestock Reports
Louisiana Department of Agriculture and Forestry	85,000	Assistance in Dissemination of Crop and Livestock Reports
Oklahoma Department of Agriculture	33,000	Assistance in Dissemination of Crop and Livestock Reports
Texas Department of Agriculture	20,000	Assistance in Dissemination of Crop and Livestock Reports
Maryland Department of Agriculture	43,360	Assistance in Dissemination of Crop and Livestock Reports
Oregon Department of Agriculture	10,000	Assistance in Dissemination of Crop and Livestock Reports
Colorado Department of Agriculture	3,000	Assistance in Dissemination of Crop and Livestock Reports
University of Houston	75,000	Crop Acreage Research
Minnesota Department of Agriculture	138,000	Assistance in Dissemination of Crop and Livestock Reports
Illinois Department of Agriculture	60,000	Assistance in Dissemination of Crop and Livestock Reports

<u>COOPERATOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
Iowa Department of Agriculture	32,000	Assistance in Dissemination of Crop and Livestock Reports
Kansas State Board of Agriculture	13,500	Assistance in Dissemination of Crop and Livestock Reports
Kentucky Department of Agriculture	5,000	Assistance in Dissemination of Crop and Livestock Reports
Tennessee Department of Agriculture	65,750	Crop Reporting Services
Virginia Department of Agriculture and Consumer Services	8,000	Crop Reporting Services
Georgia Department of Agriculture	49,500	Crop Reporting Services
Southern University	7,000	Cooperative Study Program
West Virginia Department of Agriculture	21,000	Crop Reporting Services
Wisconsin Department of Agriculture	40,000	Crop Reporting Services
New York Department of Agriculture	14,100	Crop Reporting Services
University of California	290,000	Computer Assisted Survey Services
Utah Department of Agriculture	7,000	Crop Reporting Services
Louisiana State University	5,000	Crop Reporting Services
North Carolina State University	75,000	Agricultural Surveys
Hawaii Department of Agriculture	3,300	Crop Reporting Services
North Carolina Department of Agriculture	20,000	Computer Services
North Carolina Department of Agriculture	109,900	Crop Reporting Services
Mississippi Department of Agriculture	74,400	Crop Reporting Services

<u>COOPERATOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
California Department of Pesticide Regulation	50,000	Data Collection
University of Arkansas	24,000	Crop Reporting Services
University of Alaska	11,237	Crop Reporting Services
American Statistical Association	25,000	Statistical Sampling
American Statistical Association	5,000	International Conference
Iowa State University	40,000	Water Quality Survey
New Mexico State University	15,000	Indian Resource Development Program
New Jersey Department of Agriculture	80,000	Crop Reporting Services
New Mexico Department of Agriculture	10,200	Cooperative Study Program
Iowa State University	120,000	Survey Design and Estimation
Maine Department of Agriculture	8,200	Potato Objective Yield Survey
North Dakota Agricultural Experiment Station	46,145	Assistance in Dissemination of Crop and Livestock Reports
Ohio State University	55,000	Small Area Estimation of Agricultural Products
Pennsylvania State University	65,000	Models for the Non-Response Mechanism and Imputation
Total:	<u>19,020,092</u>	

Fiscal Year 1994 Cooperative Agreements (Planned)

<u>COOPERATOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
National Association of State Departments of Agriculture	\$15,600,000	Data Collection
Washington Department of Agriculture	45,000	Crop Reporting Services
Pennsylvania Department of Agriculture	22,000	Assistance in Dissemination of Crop and Livestock Reports
Michigan Department of Agriculture	5,000	Assistance in Dissemination of Crop and Livestock Reports
Nebraska Department of Agriculture	41,000	Assistance in Dissemination of Crop and Livestock Reports
New Mexico Department of Agriculture	4,500	Assistance in Dissemination of Crop and Livestock Reports
Alabama Department of Agriculture	40,500	Assistance in Dissemination of Crop and Livestock Reports
Idaho Department of Agriculture	41,000	Assistance in Dissemination of Crop and Livestock Reports
Louisiana Department of Agriculture and Forestry	60,000	Assistance in Dissemination of Crop and Livestock Reports
Oklahoma Department of Agriculture	33,000	Assistance in Dissemination of Crop and Livestock Reports
Texas Department of Agriculture	20,000	Assistance in Dissemination of Crop and Livestock Reports
Maryland Department of Agriculture	61,500	Assistance in Dissemination of Crop and Livestock Reports
Oregon Department of Agriculture	7,500	Assistance in Dissemination of Crop and Livestock Reports
Colorado Department of Agriculture	4,000	Assistance in Dissemination of Crop and Livestock Reports
Arizona Department of Agriculture	500	Assistance in Dissemination of Crop and Livestock Reports
Minnesota Department of Agriculture	85,000	Assistance in Dissemination of Crop and Livestock Reports
Illinois Department of Agriculture	14,500	Assistance in Dissemination of Crop and Livestock Reports



<u>COOPERATOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
Kansas State Board of Agriculture	10,000	Assistance in Dissemination of Crop and Livestock Reports
Kentucky Department of Agriculture	5,000	Assistance in Dissemination of Crop and Livestock Reports
Tennessee Department of Agriculture	67,025	Crop Reporting Services
Virginia Department of Agriculture and Consumer Services	5,000	Crop Reporting Services
Georgia Department of Agriculture	51,000	Crop Reporting Services
Southern University	7,000	Cooperative Study Program
West Virginia Department of Agriculture	14,500	Crop Reporting Services
Wisconsin Department of Agriculture	40,000	Crop Reporting Services
New York Department of Agriculture	15,200	Crop Reporting Services
University of California	573,500	Computer Assisted Survey Services
Utah Department of Agriculture	7,500	Crop Reporting Services
Louisiana State University	3,000	Crop Reporting Services
Hawaii Department of Agriculture	3,300	Crop Reporting Services
North Carolina Department of Agriculture	20,000	Computer Services
North Carolina Department of Agriculture	83,200	Crop Reporting Services
Mississippi Department of Agriculture	72,700	Crop Reporting Services
University of Arkansas	8,000	Crop Reporting Services
University of Alaska	11,370	Crop Reporting Services
New Mexico State University	15,000	Indian Resource Development Program

<u>COOPERATOR</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
New Jersey Department of Agriculture	50,000	Crop Reporting Services
New Mexico Department of Agriculture	10,200	Cooperative Study Program
Maine Department of Agriculture	8,500	Potato Objective Yield Survey
North Dakota Agricultural Experiment Station	52,000	Assistance in Dissemination of Crop and Livestock Reports
Missouri Department of Experiment Station	4,000	Assistance in Dissemination of Crop and Livestock Reports
American Statistical Association	30,000	Statistical Sampling
New Mexico Department of Agriculture	2,400	Assistance in Dissemination of Crop and Livestock Reports
Iowa State University	25,000	Survey Design and Estimation
George Mason University	25,000	Survey Design and Estimation
Total:	<u>17,304,395</u>	

## CONTRACTED WORK

Mr. DURBIN. Do you contract out for any work done by your agency?

RESPONSE. No. Due to the confidential nature of NASS data, the NASS program does not lend itself to contracting out.

## HIGHER LEVEL SOFTWARE RESEARCH

Mr. DURBIN. You have been testing the use of electronic calipers and lap-top computers to record and store almond measurements at the point of collection. This helped to demonstrate the feasibility of using lap-top computers for data collection in the field. Last year you stated the Agency was in the process of testing a higher level of integrated and interactive software package that would determine the scope of future activities. What is the status of this project?

RESPONSE. The testing of the higher level interactive and integrated software package went quite well in 1993. In Indiana, a pilot project was successfully conducted where 90 farmers were interviewed by NASS interviewers using lap-top computers to record the responses. In addition, the data diskettes were sent to the Indiana office on a daily basis where the same software was used for interactive editing by the office staff. NASS plans are to expand the pilot test in 1994 to 350 farmers in Indiana and 100 farmers in Pennsylvania.

## FTS-2000 COSTS

Mr. DURBIN. Please update the table that appears on page 103 of last year's hearing record, showing FTS-2000 costs, to include fiscal year 1993 actual and fiscal year 1994 estimates.

RESPONSE. The 1993 total includes a credit from earlier years of nearly \$57,000.

[Dollars in thousands]

Media	Fiscal year	Costs
FTS-2000 .....	1989	\$1,382
FTS-2000 .....	1990	1,231
FTS-2000 .....	1991	678
FTS-2000 .....	1992	562
FTS-2000 .....	1993	681
FTS-2000 .....	1994	<sup>1</sup> 745

<sup>1</sup> Estimates.

## NUMBER OF FARMS, LAND IN FARMS

Mr. DURBIN. Provide a table, for the record, that shows the total number of farms operating in the U.S.; the acreage of land being farmed; and the total U.S. acreage for the last ten years, including estimates for fiscal years 1994 and 1995.

RESPONSE. The following table shows the U.S. total land and farm land compared for the last 10 years. However, we are not able to provide estimates for fiscal years 1994 and 1995 since they will be determined based on future surveys.

## 1985-1994 U.S. TOTAL LAND AND FARM LAND COMPARED

Year	Number of farms, 1,000's	Million acres	
		Land in farms	Total <sup>1</sup> land area
1984 .....	2,334	1,018	.....
1985 .....	2,293	1,012	.....
1986 .....	2,250	1,005	.....
1987 .....	2,213	999	2,265
1988 .....	2,197	995	.....
1989 .....	2,171	991	.....
1990 .....	2,140	987	2,263
1991 .....	2,105	983	.....
1992 .....	2,094	980	.....
1993 .....	2,068	978	.....
1994 .....	<sup>2</sup> N/A	<sup>2</sup> N/A	.....
1995 .....	N/A	N/A	.....

<sup>1</sup> Source: U.S. Bureau of the Census.

<sup>2</sup> Source: USDA, Farms and Land in Farms (available July 28, 1994).

## AQUACULTURE

Mr. DURBIN. Among the agricultural production and marketing data you develop and publish are inventories and production of catfish and trout. Are these big commodities for the U.S.?

RESPONSE. Growers sold \$371 million worth of catfish in 1993. Sales of trout by growers totaled \$69 million during the year which ended August 31, 1993. Mississippi is the top producer of catfish while Idaho leads the nation in trout production.

## GRAIN PRICE SURVEY

Mr. DURBIN. The Agricultural Stabilization and Conservation Service uses NASS data on prices received by farmers to compute deficiency payments. A small difference in this data can result in large over or under payments to farmers. You have instituted specific survey quality improvements to ensure better accuracy of this data. Would you describe in further detail what you are doing?

RESPONSE. Within the past year NASS has completed a restratification or classification of the farms in the universe for its probability grain price survey. This improved stratification in many States will reduce the variation in the grain price data collected due to improved sampling. A new grain price edit and summary has also been put in place within the last year. A major purpose of the new edit is to provide more help in identifying atypical price reports so that these data can be verified. The new summary provides a measure of statistical precision at the State level. New edits and summaries for the other program crops, cotton and rice, were implemented in the prior two years. A training school is planned this year for the major grain States for the purpose of improving the quality of grain price data collected by NASS.

## CENSUS OF AGRICULTURE

Mr. DURBIN. The Census of Agriculture is taken every five years. What were the results of the one just finished?

RESPONSE. The Census of Agriculture is conducted by the Bureau of the Census in the Department of Commerce. The data are released on a State-by-State basis. The first State, Delaware, was released January 7, 1994. The final release, for the United States, is scheduled for the fall of 1994.

## RURAL DATA BASE AND INFORMATION SYSTEM

Mr. DURBIN. Describe, in further detail, the effort you have ongoing with other USDA agencies to develop a more comprehensive, coordinated statistical data base and information system on rural America

RESPONSE. Within the Executive Branch, USDA is delegated the lead role in rural development. NASS is the lead statistical agency within USDA. However, NASS's statistical activities have historically concentrated on agricultural statistics. With a growing interest in providing improved services and economic development in rural areas, the lack of comprehensive statistics has been identified as a major weakness for making sound policy decisions about rural development programs.

During the past few months, NASS has met with the Rural Development Administration, Forest Service, Economic Research Service, Extension Service, Cooperative State Research Service, Farmers Home Administration, Rural Electrification Administration, and others. All of these agencies have identified numerous data needs including such items as the availability and quality of health care, water, sewage systems, education, and other rural community services and facilities. In addition, rural household data are needed for local areas that are not available from the Decennial Population Census; the Census of Agriculture; the Current Population Survey conducted jointly by the Census Bureau and Bureau of Labor Statistics; or any of the other recognized sources of information. The NASS infrastructure, which include a trained core of interviewers distributed throughout the 50 States, plus the experience and knowledge for collecting statistically sound data, places it in a position to collect the information needed by agencies working with development of rural areas.

Discussions at this time are very preliminary and an actual rural data program has not been developed. However, efforts are moving ahead rapidly, because timely statistical information about rural America is clearly needed. The program will require wide coordination between agencies as rural development is clearly a cross-cutting activity.



## CUSTOMER SERVICE SURVEYS

Mr. DURBIN. You say in your statement that NASS is developing USDA agencies' compliance with Executive Order 12862 regarding surveying customers. Would you explain this effort further for the record?

RESPONSE. The Department's objective is to ensure that all USDA agencies and staff offices survey their customers to establish baseline measures of customer service. NASS, functioning as an internal USDA statistical consultant, will help agencies and staff offices meet this goal. NASS will contact each agency and staff office to determine what, if any, assistance is needed, review agency customer service survey plans, and discuss and share information on proper procedures for conducting surveys. NASS will coordinate this process to ensure that farmers and ranchers are not unintentionally surveyed by several USDA agencies.

## ATTRITION RATES

Mr. DURBIN. You hope to achieve the 24 staff-year reduction that is proposed in the budget through attrition. What is your normal rate of attrition?

RESPONSE. The attrition rate (in percent) for NASS over the last 5 years is as follows:

Fiscal year:	Percent
1989 .....	9.43
1990 .....	8.95
1991 .....	6.05
1992 .....	5.48
1993 .....	5.56

## NATIONAL AGRICULTURAL STATISTICS SERVICE

Statement of Donald M. Bay, Acting Administrator, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Mr. Chairman and members of the Committee, I appreciate the opportunity to appear before this Committee to discuss the fiscal 1995 budget request for the National Agricultural Statistics Service (NASS). This Service was created to provide useful, timely, and unbiased statistics and other information about the Nation's food and agricultural industry and rural America.

The need for having accurate, timely, and impartial statistical information on the Nation's agriculture is essential for supporting a market economy. This need is becoming even more crucial as we continue to move into a global economy. The crop, livestock, and other estimates developed and published throughout the year, in cooperation with State Departments of Agriculture and other USDA agencies, are a major part of the public information available concerning current agricultural conditions.

NASS reports, either directly or indirectly, have an important impact on the entire population since the Nation's food industry affects our nutritional well being and the quality of the environment in which we live. Because of this importance, it is essential that NASS does not compromise the quality or integrity of its surveys.

All reports issued by the Agricultural Statistics Board are made available to the public at previously announced release times. These reports are not only used to assess the supply and demand of agricultural commodities, but are used for establishing agricultural policy decisions relating to farm program and disaster legislation, foreign trade, commodity programs, conservation programs, agricultural research, environmental programs, rural development, and many other related activities. NASS data are examined very closely and utilized by farmers, economists, and investors as they make decisions that have considerable economic impact.

Statistical research is conducted to improve the methods and techniques used in collecting and processing agricultural data. This research is directed toward providing higher quality survey data with less burden to data suppliers, producing more accurate and timely estimates to data users, and enabling greater efficiency in the use of available resources. NASS, for example, has been a leader in the development of the use of satellite imagery to improve agricultural statistics. NASS also performs an expanding number of statistical services for other Federal, State, and producer organizations on a reimbursable basis.

#### Fiscal Year 1995 Budget Request

The fiscal year 1995 budget request is \$89,500,000. This request includes a net increase of \$7,641,000: \$3,300,000 to expand the Pesticide Data Program; \$2,900,000 for the collection of restricted use pesticide data as required by the FACT Act of 1990; \$1,100,000 to distribute costly mainframe processing systems to local area networks, resulting in substantial savings; an increase of \$1,306,000 for pay costs and inflation; an increase of \$455,000 to cover

higher costs for enumerators who are employed by the National Association of State Departments of Agriculture; and decreases of \$1,147,000 in personnel expenses and \$273,000 for administrative reductions to support the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment.

#### Major Activities of the National Agricultural Statistics Service (NASS)

The primary activities of NASS are collection, summarization, analysis, and publication of reliable agricultural forecasts and estimates. Farmers, ranchers, and agribusinesses voluntarily respond to a series of nationwide surveys about their crops, livestock, prices, and other agricultural activities each year. Frequent surveys are required due to the perishable nature of many food products. These surveys are supplemented by actual field observations in which various plant counts and measurements are collected. Administrative data from other State and USDA agencies, as well as Census data, are thoroughly analyzed and utilized as appropriate. NASS prepares estimates for over 120 crops and 45 livestock items which are published annually in almost 400 reports. The World Agricultural Outlook Board (WAOB) utilizes NASS data for the U.S. portion of its reports as does the Economic Research Service (ERS) in its Situation and Outlook reports.

The agricultural production and marketing data that are developed and published by NASS include: number of farms and land in farms; acreage, yield, and production of grains, hay, oilseeds, cotton, tobacco, most important fruits and vegetables, floriculture, and other specialty crops; stocks of grains; inventories and production of hogs, cattle, sheep and wool, goats, catfish, trout, poultry, eggs, and dairy products; prices received by farmers;



prices paid by farmers for inputs and services; cold storage supplies; agricultural labor and wage rates; agricultural chemical usage; and other data related to the agricultural economy.

The NASS agricultural statistics program is conducted through 45 field offices servicing all 50 States, and nearly two-thirds of the Agency's staff and resources are located in these field offices. All field offices operate under cooperative funding and 24 are collocated with their State Departments of Agriculture or Land-Grant universities. This joint State-Federal program helps meet national needs as well as State and local agricultural data needs while minimizing overall costs. This is accomplished by eliminating duplication of effort and reducing the reporting burden on farm and ranch operators.

NASS has developed a broad environmental statistics program under the Department's water quality and food safety programs. Until 1991 there was a complete void in the availability of recent, reliable pesticide usage data which was brought to light during the Alar situation. In cooperation with other USDA agencies, the Environmental Protection Agency, and the Food and Drug Administration, NASS has implemented comprehensive chemical usage surveys to help correct this information void. In cooperation with ERS, detailed economic and cultural practice information is also collected for the purpose of determining the economics associated with different levels of chemical use.

For the years when a disaster program is authorized, NASS provides the Agricultural Stabilization and Conservation Service (ASCS) detailed data on crop yields and average market prices for the 120 crops for which estimates are available. Although these crop estimates cover a very high percentage of

the cultivated land area in the United States, hundreds of other crops (mostly specialty) are currently covered under the disaster program for which no official statistics exist on average yield or price.

NASS data on prices received by farmers are currently used by ASCS for the computation of deficiency payments provided under the 1990 Farm Bill. A small difference in price can amount to an increased or decreased payment of millions of dollars. For example, a penny difference in the corn price estimate affects corn price deficiency payments by plus or minus \$60 million. NASS has instituted specific survey quality improvements in order to better ensure the accuracy of these price data.

A statistical research program is devoted to improving methods and techniques for obtaining agricultural statistics with an acceptable level of accuracy. The growing diversity and specialization of the Nation's farm universe has greatly complicated procedures to produce agricultural statistics. Development of sophisticated sampling and survey methodology, along with intensive use of computers, has enabled NASS to keep up with an increasingly complex agricultural economy.

NASS works very closely with the Census Bureau of the Department of Commerce during development, collection, and analysis of the Census of Agriculture every 5 years. Key NASS field and headquarters personnel are sworn in as temporary Census employees to meet Census security procedures while they assist with detailed analysis to help make published census data as accurate as possible.

NASS conducts a number of surveys on a reimbursable basis for USDA and other Federal, State, and private agencies or organizations. Conducting surveys and providing other statistical services on a reimbursable basis enables NASS to increase the productivity of its organization. It enables the cooperating agencies to have access to additional technical resources and eliminates duplicate efforts, thereby increasing efficiency while reducing respondent burden. For example, NASS is working with other USDA agencies to develop a more comprehensive, coordinated statistical data base and information system on rural America. An improved information system should result in better informed policy-making regarding the needs of rural America.

NASS provides consulting services for many USDA agencies on survey methodology, sample design, information resource management, and statistical analysis. This consulting may take a few hours or several years and is provided either gratis or on a fee basis depending on the scope of the project. NASS is now intensively involved with developing USDA agencies' compliance to Executive Order 12862 regarding surveying customers. NASS will coordinate the survey effort where agencies have similar customers and provide advice and consultation for agencies with special customers. This coordinated survey effort will eliminate duplication of effort and reduce the reporting burden on customers, such as farmers and agribusinesses.

Technical assistance in cooperation with other Government agencies is provided on a cost-reimbursable basis to improve agricultural survey programs in other countries. Until recently, this program was primarily aimed at developing countries in Asia, Africa, the Middle East, and South America. However, a major effort is underway to assist Eastern and Central European countries during their transition period and NASS is prepared to assist the newly

independent states of the former Soviet Union upon request. Having accurate information available as demonstrated in the United States is essential to facilitate the orderly marketing of farm products.

NASS annually seeks input on data needs and priorities from the public through regional data user meetings with commodity groups, special briefings during the release of major reports, and numerous individual contacts. The Agency has made many adjustments in its program and its reports in response to suggestions by data users.

The NASS funding situation for fiscal year 1994 is mixed. Although the appropriated availability was increased by \$809,000 from FY 1993, the total available funds are down \$2.6 million due to sharply reduced resources from reimbursable activities. The ERS funds available for surveys were reduced, causing the elimination of water quality area surveys and a substantial reduction in sample size for the annual Farm Costs and Returns Survey (FCRS). Also, in order to absorb the locality pay increase, NASS was forced to reduce the following: cooperative research program funding; surveys used to determine livestock prices received by farmers; delayed development of new data processing systems and reduced purchases of replacement equipment; and decreased personnel transfers, training, and travel.

#### Fiscal Year 1995 Plans

The budget request includes an increase of \$1,100,000 for Distributed Data Base Systems. NASS proposes to reduce mainframe processing costs by distributing its farm list and survey processing systems to local area networks in its State Statistical Offices. This initiative promises



substantial cost savings to the Government and will enable the NASS list frame system to be more responsive to changes in survey procedures. In addition, farmer response burden can be reduced and data quality improved if individual historical survey data are available as proposed by this relational data base system. To capture the savings, NASS will reduce its budget base by \$250,000 in FY 1996 and by an additional \$1.35 million in FY 1997.

An increase of \$3,300,000 and 18 staff years is requested to obtain additional pesticide use data. The Secretary of Agriculture, the Administrator of the Environmental Protection Agency (EPA), and the Commissioner of the Food and Drug Administration (FDA) have agreed to work jointly on assessing pesticide use. In order to accurately analyze the impact of chemical use and make recommendations based on fact, reliable data are needed for additional crops and States in addition to the pesticide use data currently provided under the Pesticide Data Program. Specifically, NASS would expand the chemical use surveys to include 13 more States, which will about double the number of States in the program and will add 10 new crops. This increase will also provide for collecting data on chemicals used on food commodities after leaving the farm. In the first year NASS will collect data in 13 States on chemicals applied to apples and potatoes between the farm and market. NASS, with input from EPA and FDA, will rotate the collection of postharvest chemical use data to other selected commodities each year.

An increase of \$2,900,000 and 12 staff years is requested to collect restricted use pesticide data. Section 1491 of the Food, Agriculture, Conservation, and Trade Act of 1990 requires all certified applicators of restricted use pesticides to maintain records of usage. This section also requires the Secretary of Agriculture and the Administrator of EPA to survey

the records to develop a data base sufficient to publish comprehensive reports on agricultural and nonagricultural pesticide use to be made available to Congress each year. The EPA recently received special funding from Congress to implement the nonagricultural survey requirements; however, the USDA did not receive funding to perform the agricultural component. This increase will allow for inclusion of whole farm pesticide use and non-farm agricultural use in all areas. The 1995 funding will permit NASS to account for total agricultural restricted pesticide use by product and by commodity. The NASS survey will be coordinated with the EPA nonagricultural pesticide use survey. The combination should provide the first statistically based information on the entire use of restricted pesticides in the United States.

An increase of \$455,000 to cover higher reimbursement costs for survey interviewers who are employed under a cooperative agreement with the National Association of State Departments of Agriculture and whose salary increases are not covered by Federal pay cost increases. The data they collect form the foundation of the NASS survey program. This increase will allow NASS to maintain current sample sizes and reliability of USDA's basic crop and livestock estimating program. The work provides part-time employment for more than 3,200 persons who live mostly in rural areas.

An increase of \$ 1.3 million for pay costs and inflation. These funds are necessary to offset increased operating costs. Continued absorption of these costs will severely affect the quality and quantity of the survey programs.

A decrease of \$1.1 million and 24 staff years, through attrition at headquarters and in the field, to support the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal

employment. Statistical programs will remain at their current level through implementing more efficient procedures. NASS will work with State cooperators and data users to strengthen the Federal-State cooperative program, where possible.

A decrease of \$273,000 for administrative reductions in areas such as travel, training, supply purchases, printing and reproduction costs, and utility usage, to support the Secretary's streamlining efforts.

This concludes my statement, Mr. Chairman, and I will be happy to respond to your questions.

## NATIONAL AGRICULTURAL STATISTICS SERVICE

Purpose Statement

The USDA published its first crop report in 1863, and further strengthened this responsibility in 1905 by creating the Crop Reporting Board (now the Agricultural Statistics Board). Today, the major responsibility for collecting and publishing current statistics on the Nation's agriculture is carried on by the National Agricultural Statistics Service (NASS). These responsibilities were authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

NASS's unbiased statistics on agriculture keep all involved with America's biggest industry well informed, help provide the basic foundation necessary to keep agricultural markets stable and efficient, and help maintain a "level playing field."

NASS programs are conducted in the following major areas:

1. Agricultural Estimates. NASS State Statistical Offices regularly survey thousands of operators of farms, ranches, and agribusinesses who voluntarily provide information on a confidential basis. Consolidating these reports with field observations, objective yield measurements, and other data, statisticians then produce State estimates. These estimates are forwarded to NASS headquarters where they are combined and released to the press and public through the Agricultural Statistics Board. Annually, over 400 national reports are complemented with State reports that provide broad coverage of agriculture, including more than 120 crop and 45 livestock items.
2. Statistical Research and Service. Research is conducted to improve the statistical methods and techniques used in developing U.S. agricultural statistics. The highest priority of the research agenda is to aid the NASS estimation program through development of better estimators at lower cost and with less respondent burden. This means greater efficiency in sampling and data collection coupled with higher quality data upon which to base the official estimates. In an environment of escalating demand for statistical information but shrinking resources, continued service to users will be increasingly dependent upon methodological and technological efficiencies.
3. Work Performed for Others. Services are performed for other Federal and State agencies and private commodity organizations on a reimbursable basis. These services consist primarily of conducting surveys and performing related data collection activities. They also include technical consultation, support, and assistance for international programs under participating agency service agreements.

The National Agricultural Statistics Service maintains a central office in Washington, D.C., and a network of 45 field offices, serving all 50 States, that operate through cooperative agreements with State Departments of Agriculture or universities. As of September 30, 1993, the Service had 1,088 permanent full-time employees and 61 part-time employees, including 394 full-time and 34 part-time employees in Washington, D.C.



NATIONAL AGRICULTURAL STATISTICS SERVICE

Available Funds and Staff-Years

1993 Actual and Estimated, 1994 and 1995

Item	1993		1994		1995	
	Actual		Estimated		Estimated	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
National Agricultural Statistics Service.....	\$81,050,145	1,022	\$81,859,000	1,027	\$89,500,000	1,033
<u>Obligations under Other</u>						
<u>USDA appropriations:</u>						
Agricultural Marketing:						
Service for pesticide:						
work and data on						
milk prices.....	238,900	2	269,000	2	269,000	2
Animal and Plant						
Health Inspection						
Service for animal						
health monitoring						
system and data on						
animal damage control:	420,000	5	420,000	5	420,000	5
Agricultural Stabili-						
zation and Conserva-						
tion Service (CCC)						
for data on feed						
grains, and wool and						
mohair stocks.....	110,000	1	100,000	1	100,000	1
Economic Research						
Service for data on						
chemical use and farm:						
economics, area						
studies, cropping						
practices, farm						
costs and returns,						
farm and rural						
markets, land use,						
land values, and						
water quality.....	5,672,000	55	2,570,000	33	2,570,000	33
Federal Crop Insurance:						
Corporation for						
acreage and yield						
production data on						
insured crops.....	670,000	8	932,000	12	932,000	12
Forest Service for						
data on grazing fees..	45,000	--	45,000	--	45,000	--
Human Nutrition Infor-						
mation Service for						
consulting services..	75,000	1	60,000	1	60,000	1
Office of Public						
Affairs for a farmer :						
opinion survey.....	35,000	--	--	--	--	--
World Agricultural						
Outlook Board for						
printing, and lockup :						
support.....	6,851	--	7,000	--	7,000	--
Total, Other USDA						
Appropriations.....	7,272,751	72	4,403,000	54	4,403,000	54
Total, Agriculture						
Appropriations.....	88,322,896	1,094	86,262,000	1,081	93,903,000	1,087

Item	1993		1994		1995	
	Actual	Staff:	Estimated	Staff:	Estimated	Staff:
	Amount	Years	Amount	Years	Amount	Years
<b>Other Federal Funds:</b>						
Commerce, Department of, for statistical research work on the Census of Agriculture.....	563,500:	3:	97,000:	1:	97,000:	1
Environmental Protection Agency for data on agroecosystems and water quality.....	250,000:	3:	1,300,000:	16:	1,300,000:	16
Interior, Department of, for data on grazing fees.....	43,500:	--:	45,000:	--:	45,000:	--
Labor, Department of for assistance on research on computer assisted telephone interview techniques.....	250,000:	--:	250,000:	--:	250,000:	--
National Academy of Sciences for personnel detail.....	24,018:	--:	--:	--:	--:	--
National Institute of Occupational Safety and Health for data on farm safety and health.....	190,000:	1:	190,000:	2:	190,000:	2
Office of International Cooperation and Development (from AID) for training, technical assistance, equipment and personnel detail....	1,080,693:	9:	815,000:	9:	815,000:	9
Total, Other Federal Funds.....	2,401,711:	16:	2,697,000:	28:	2,697,000:	28
<b>Non Federal Funds:</b>						
State Agencies for survey work.....	1,936,935:	24:	1,900,000:	24:	1,900,000:	24
Misc. Contributed Funds for distribution of crop releases and data tapes, data on beef, hops, malting barley, milk, oats, fruit, vegetables, wheat, soybeans wool and mohair stocks agricultural cooperatives, greenhouses, and conducting mailings	266,683:	1:	243,000:	2:	240,000:	2
Total Non-Federal Funds.....	2,203,618:	25:	2,143,000:	26:	2,140,000:	26
Total, National Agricultural Statistics Service....	92,928,225:	1,135:	91,102,000:	1,135:	98,740,000:	1,141

## NATIONAL AGRICULTURAL STATISTICS SERVICE

Permanent Positions by Grade and Staff-Year Summary

1993 and Estimated 1994 and 1995

Grade	FY 1993			FY 1994			FY 1995		
	Headquarters:	Field:	Total:	Headquarters:	Field:	Total:	Headquarters:	Field:	Total:
ES-6 .....	1	---	1:	1	---	1:	1	---	1
ES-5 .....	3	---	3:	3	---	3:	3	---	3
ES-4 .....	3	---	3:	4	---	4:	3	---	3
ES-3 .....	1	---	1:	---	---	---	---	---	---
ES-2 .....	---	---	---	1	---	1:	1	---	1
ES-1 .....	1	---	1:	---	---	---	1	---	1
	:	:	:	:	:	:	:	:	:
	:	:	:	:	:	:	:	:	:
2S-15.....	21	15:	36:	21	15:	36:	20	15:	35
GS-14.....	49	47:	96:	48	46:	94:	47	46:	93
GS-13.....	131	60:	191:	129	61:	190:	132	61:	193
GS-12.....	43	109:	152:	42	109:	151:	43	109:	152
GS-11.....	15	88:	103:	14	88:	102:	14	88:	102
GS-10.....	1	---	1:	1	---	1:	1	---	1
GS-9 .....	23	69:	92:	21	66:	87:	20	67:	87
GS-8 .....	25	2:	27:	24	2:	26:	24	2:	26
GS-7 .....	32	83:	115:	30	80:	110:	30	81:	111
GS-6 .....	22	100:	122:	21	99:	120:	21	99:	120
GS-5 .....	23	84:	107:	22	83:	105:	23	84:	107
GS-4 .....	6	47:	53:	6	46:	52:	6	47:	53
GS-3 .....	1	3:	4:	1	3:	4:	1	3:	4
	:	:	:	:	:	:	:	:	:
Other	:	:	:	:	:	:	:	:	:
Graded	:	:	:	:	:	:	:	:	:
Positions:	---	1:	1:	---	1:	1:	---	1:	1
	:	:	:	:	:	:	:	:	:
Total	:	:	:	:	:	:	:	:	:
Permanent:	:	:	:	:	:	:	:	:	:
Positions:	401	708:	1,109:	389	699:	1,088:	391	703:	1,094
	:	:	:	:	:	:	:	:	:
Unfilled	:	:	:	:	:	:	:	:	:
Positions:	:	:	:	:	:	:	:	:	:
end-of-	:	:	:	:	:	:	:	:	:
year.....	-7	-14:	-21:	---	---	---	---	---	---
	:	:	:	:	:	:	:	:	:
Total,	:	:	:	:	:	:	:	:	:
Permanent:	:	:	:	:	:	:	:	:	:
Employ-	:	:	:	:	:	:	:	:	:
ment, end-	:	:	:	:	:	:	:	:	:
of-year	394	694:	1,088:	389	699:	1,088:	391	703:	1,094
	:	:	:	:	:	:	:	:	:
Staff-	:	:	:	:	:	:	:	:	:
Year	:	:	:	:	:	:	:	:	:
Ceiling..	420	715:	1,135:	415	720:	1,135:	417	724:	1,141

## NATIONAL AGRICULTURAL STATISTICS SERVICE

## CLASSIFICATION BY OBJECTS

1993 and Estimated 1994 and 1995

	<u>1993</u>	<u>1994</u>	<u>1995</u>
<u>Personnel Compensation:</u>			
Headquarters .....	\$17,947,967	\$18,821,000	\$19,752,000
Field .....	<u>22,897,285</u>	<u>24,415,000</u>	<u>26,034,000</u>
11 Total personnel compensation.....	40,845,252	43,236,000	45,786,000
12 Personnel Benefits....	8,765,694	9,029,000	9,561,000
13 Benefits for former personnel.....	<u>19,204</u>	<u>20,000</u>	<u>20,000</u>
Total Personnel Compensation & Benefits..	<u>49,630,150</u>	<u>52,285,000</u>	<u>55,367,000</u>
<u>Other Objects:</u>			
21 Travel.....	1,297,738	1,286,000	1,229,000
22 Transportation of things.....	302,054	314,000	300,000
23.3 Communications, utilities and miscellaneous charges....	2,829,835	3,129,000	2,991,000
24 Printing and reproduction.....	410,349	503,000	481,000
25.1 Consulting Services...	259,990	400,000	400,000
25.2 Other services .....	21,139,123	20,830,000	24,406,000
25.3 Purchase of goods and services from Government Accounts...	1,154,890	914,000	1,090,000
25.5 Research and Development Contracts.....	265,000	150,000	150,000
26 Supplies and materials.....	1,017,708	927,000	1,685,000
31 Equipment .....	2,645,227	1,119,000	1,399,000
43 Interest and dividends	<u>2,136</u>	<u>2,000</u>	<u>2,000</u>
Total other objects...	<u>31,324,050</u>	<u>29,574,000</u>	<u>34,133,000</u>
Total direct obligations...	<u>80,954,200</u>	<u>81,859,000</u>	<u>89,500,000</u>
<u>Position Data:</u>			
Average Salary, ES positions .....	\$107,522	\$112,070	\$116,686
Average Salary, GM/GS positions .....	\$39,381	\$41,613	\$43,702
Average Grade, GM/GS positions .....	9.7	9.7	9.7



## NATIONAL AGRICULTURAL STATISTICS SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

NATIONAL AGRICULTURAL STATISTICS SERVICE:

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, and marketing surveys, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and other laws, [\$81,764,000] \$89,500,000: Provided, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed \$40,000 shall be available for employment under 5 U.S.C. 3109.

## NATIONAL AGRICULTURAL STATISTICS SERVICE

Appropriations Act, 1994 ..... \$81,764,000  
 Budget Request, 1995 ..... 89,500,000

Increase in Appropriation ..... + 7,736,000

## Adjustments in 1994

Appropriations Act, 1994 ..... 81,764,000  
 GSA Space Transfer a/ .....+ 109,000  
 Transfer to the Office of  
 Personnel b/ .....- 14,000

Adjusted base for 1994..... 81,859,000  
 Budget Estimate, 1995..... 89,500,000

Increase over adjusted 1994.....+ 7,641,000

a/ The transfer from Departmental Administration is due to the transfer of the Alabama and North Dakota State Statistical Offices from GSA space to non-GSA space. On a comparable basis the cost is \$109,000 for FY 1994 and \$109,000 for FY 1995.

b/ The transfer to the Office of Advocacy and Enterprise is due to the transfer of an EEO specialist. On a comparable basis the cost is \$14,000 for FY 1994 and \$14,000 for FY 1995.

SUMMARY OF INCREASES AND DECREASES  
 (On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Costs</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
Increased Data Collection				
Costs.....	\$15,600,000	--	+ \$455,000	\$16,055,000
Distributed Database System..	500,000	--	+ 1,100,000	1,600,000
Pesticide Data (Food Safety).	3,500,000	--	+ 3,300,000	6,800,000
Restricted Use Pesticides....	100,000	--	+ 2,900,000	3,000,000
Increased Operating Costs....	--	--	+ 791,000	791,000
Reduction in Administrative				
Expenses.....	--	--	- 273,000	- 273,000
Staff-Year Reduction.....	--	--	- 1,147,000	- 1,147,000
All Other.....	<u>62,159,000</u>	+ <u>\$515,000</u>	--	<u>62,674,000</u>
Total Available .....	<u>81,859,000</u>	+ <u>515,000</u>	+ <u>7,126,000</u>	<u>89,500,000</u>

**PROJECT STATEMENT**  
(On basis of adjusted appropriation)

Project	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff-Years	Amount	Staff-Years		Amount	Staff-Years
1. Agricultural Estimates .....	\$77,072,200:	975	\$78,363,000:	984	+\$7,601,000:	\$85,964,000:	990
2. Statistical Research and Service .....	3,882,000:	47	3,496,000:	43	+40,000:	3,536,000:	43
Unobligated balance ...	95,945:	--	--	--	--	--	--
Total available or estimate .....	81,050,145:	1,022	81,859,000:	1,027	+7,641,000:	89,500,000:	1,033
Transfer from Departmental Administration .....	-46,145:	--	-109,000:	--			
Transfer to the Office of Personnel .....	--	--	+14,000:	--			
Total Appropriation ...	81,004,000:	--	81,764,000:	--			

NOTE: Under the Secretary's reorganization plan, in 1995 3 staff-years and \$340,000 for the Economic Analysis Staff will appear as part of Executive Operations under Departmental Administration.

**EXPLANATION OF PROGRAM**

The National Agricultural Statistics Service has two major activities, authorized by the Agricultural Marketing Act of 1946, as follows:

- **Agricultural Estimates** - This area includes conducting scientifically designed surveys; summarizing and analyzing survey data; developing estimates of production, supply, price, and other aspects of the agricultural economy; and issuing official USDA national, State and county estimates and reports relating to acreage, types and production of farm crops, number of livestock on farms, livestock products, stocks of agricultural commodities, value and utilization of farm products, farm labor, prices received and paid by farmers, agricultural chemical use, and other subjects as needed. Estimates are published in almost 400 Federal reports each year. All information is made available to the public at scheduled release times, providing the basic, unbiased data necessary to maintain an orderly association between the consumption, supply, marketing, and input sectors of agriculture.
- **Statistical Research and Service** - Research is conducted to improve the statistical methods and techniques used in developing agricultural statistics. This research is directed toward higher quality survey data, less burden to data suppliers, better estimates to data users, and greater efficiency in the use of available resources. Consulting services in the areas of survey methodology, statistical methodology, and remote sensing technology are provided both gratis and on a reimbursable basis.

**OIG Reports:**

OIG Audit Report No. 26099-1-FM, August 1993, "National Agricultural Statistics Service Management and Control of Local Area Networks and Statistical Forecasting Data." (Audit Report)

NASS is in general agreement with the findings in this report, and all attainable recommendations are expected to be implemented during calendar year 1994.

JUSTIFICATION OF INCREASES AND DECREASES(1) A net increase of \$7,601,000 for agricultural estimates consisting of:

- (a) An increase of \$489,000 for pay costs for the 1.6 percent fiscal year 1995 pay raise.
- (b) An increase of \$769,000 which reflects a 2.6 percent increase in nonsalary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these costs will severely affect the quality and quantity of our survey programs.

Nature of Change. This increase will be used to maintain a credible level of services. Examples of projected cost increases are for such critical items as travel, postal rates, supplies, equipment, maintenance, and ADP related costs.

- (c) An increase of \$455,000 for Increased Data Collection Costs (\$15,600,000 available in 1994).

Need for Change. The costs of collecting survey data for the Nation's agricultural sector continued to increase during FY 1993. Enumerators employed by the National Association of State Departments of Agriculture (NASDA) each year make almost a million personal contacts with farmers, ranchers, and agribusiness operators. The data they collect form the foundation of the NASS survey program. As part of a long-term cooperative effort, NASS provides technical guidance and training to NASDA enumerators and reimburses NASDA for associated salaries and other expenses, which amounted in FY 1993 to over \$16.9 million, 21 percent of the NASS budget. This work provides part-time employment for more than 3,200 persons who live mostly in rural areas.

Higher NASDA costs due to salary increases are not covered by Federal pay cost increases. This additional funding is necessary for NASS to maintain the current sample sizes and reliability of USDA's basic crop and livestock estimating program. If the budget is not adjusted to cover this "real" shortfall, NASS must absorb this cost and make corresponding reductions in sample sizes, States surveyed, frequency of surveys, and commodities estimated.

Nature of Change. This funding will cover the added data collection costs that occurred in FY 1993 due to salary and per diem increases.

- (d) An increase of \$1,100,000 for Distributed Data Base Systems (\$500,000 available in 1994).

Need for Change. NASS proposes to reduce mainframe processing costs by distributing its farm list maintenance systems and survey processing systems to local area networks (LAN's) in its State Statistical Offices (SSO's). This initiative promises substantial cost savings to the Government and will make the NASS list frame system more responsive to changes in survey procedures. In addition, farmer response burden can be reduced and data quality improved if individual historical survey data are available as proposed by this relational data base system. Current list frame activities are being processed through a national telecommunications network, contracted mainframe computing services, and software developed in the late seventies and early eighties. The reengineered systems would relocate data to the SSO's, where they would be processed through local client/server data base systems. This distributed processing environment would significantly reduce the cost



of mainframe communications and processing, and would make the systems closer and more responsive to the end-user.

The current batch application systems used to process surveys rely on outdated, contracted-out mainframe computer technology that does not capitalize on NASS's LAN capabilities or client/server computing. Interactive survey editing systems and reengineered computer-aided telephone interviewing systems would use a relational data base of historical survey data, comprised of individually reported data from every NASS survey conducted in the most recent years. This approach would promote more reuse of previously reported survey data, resulting in improved cooperation by reducing farmers' reporting burden through the elimination of redundant questions.

Following procurement and installation of the necessary technology and implementation of the name and address data bases and the historical survey data base, it will be feasible to distribute processing of many national probability surveys currently done on a mainframe network. Interactive screen driven analysis and summarization will be employed, which will replace separate remote batch processing. Further reductions in mainframe processing costs will occur.

Nature of Change. This funding request would cover consulting assistance and purchase of the technology needed to distribute the data base systems to LAN's in the SSO's. Most of the resources needed for this project are for staffing, which will be absorbed by current staff. Each of these LAN's would be enhanced to include a client/server relational data base system, a data base server, and related tools. This proposal exploits the characteristics of the LAN architecture since the client/server systems can be added directly to the existing LAN's.

The LAN-based systems will incorporate advances in relational data base processing to accommodate changes in survey procedures made over the last decade. These changes will include the use of computer assisted telephone interviewing with interactive edits, the integration of multiple surveys, and refined procedures for handling primary farm operators in today's increasingly complex farm operations.

The total cost will be recovered in less than 5 years through reduced NASS funding. Contingent upon approval of this initiative, in FY 1996 NASS will reduce its budget by \$250,000, leaving \$850,000, plus the \$250,000 savings in processing costs to complete the system in all States. NASS will further reduce its budget by \$1.1 million, plus an additional \$250,000 for a reduction of \$1.35 million in FY 1997.

- (e) An increase of \$3,300,000 and 18 staff years for additional pesticide use data (\$3,500,000 available in 1994).

Need for Change. The Secretary of Agriculture and the Administrator of the Environmental Protection Agency (EPA) have agreed to work jointly toward the reduction of pesticide use. In order to accurately analyze the impact of chemical use and make recommendations based on fact, reliable data are needed for crops and States in addition to the pesticide use data currently provided under the Pesticide Data Program. Sound pesticide regulations depend on quality data to support informed decision making. Although reliable use data on major food crops are currently being provided by NASS and the Pesticide Data Program, the EPA and other agencies have requested pesticide use data on additional crops and States. Detailed data such as date of application, target pests, and associated crop yields would be provided. There is a particular shortage of use data on the so called "minor" or specialty crops. Policy determinations by chemical manufacturers as to the potential

markets for "minor" crop pesticides can determine whether or not producers of these commodities stay in business.

The availability of accurate pesticide use information also enables EPA to make more realistic estimates in setting both dietary and nondietary tolerances. To date, there is very limited reliable data on chemicals that are used after crops leave the farm (postharvest use). The EPA and other agencies have requested NASS to collect use data from packing-houses, storage facilities, etc., to account for the missing link of pesticide use between the farm gate and consumers.

**Nature of Change.** This increase will allow NASS to expand the coverage of States and crops as called for by the Administration. Specifically, NASS would expand its chemical use surveys to include 13 additional States, about double the number of States currently in the program, and will add 10 additional crops.

This increase will also allow NASS to collect data on chemicals used on commodities after leaving the farm. In the first year NASS will collect chemical use data in 13 States on apples and potatoes between farm and market. NASS will rotate the collection of postharvest chemical use data to other selected commodities each year.

- (f) An increase of \$2,900,000 and 12 staff years for restricted use pesticide data (\$100,000 available in 1994).

**Need for Change.** Section 1491 of the Food, Agriculture, Conservation, and Trade Act of 1990 requires all certified applicators of restricted use pesticides to maintain records of usage. This section also requires the Secretary of Agriculture and the Administrator of EPA to survey the records to develop a data base sufficient to publish comprehensive reports on agricultural and nonagricultural pesticide use to be made available to Congress each year. The final rules implementing Section 1491 were published in the Federal Register on April 9, 1993, and became effective May 10, 1993.

The EPA recently received special funding from Congress to implement the nonagricultural survey requirements under Section 1491. This action places USDA in the untenable position of not being funded to do the agricultural portion. USDA and EPA should be in a position to work together to properly identify restricted pesticide use. In fact, both the 1990 Farm Bill and the recent Memorandum of Understanding between USDA and EPA stipulate that the two Departments work together on this program.

**Nature of Change.** This increase will allow NASS to implement the provisions of Section 1491 of the Food, Agriculture, Conservation, and Trade Act of 1990 by conducting surveys that provide information on restricted use pesticides in all agricultural areas on a national basis. Currently, all pesticide surveys are crop specific and State specific. This increase will allow for inclusion of whole farm pesticide use and non-farm agricultural use in all areas. The 1995 funding will permit NASS to account for total agricultural restricted pesticide use by product and by commodity for the Nation.

NASS will survey private applicators and collect information on all chemicals used (restricted and nonrestricted) on the farm. This includes chemicals used on crops, livestock, pasture, storage facilities, and every other use on the farm. In addition, a separate sample of commercial applicators will be used to collect chemicals used, both on-farm and off-farm, for nontraditional uses defined as agricultural, e.g., forest pest control, packing houses, seed treatment, etc. The survey will therefore contribute significant additional

chemical use information to the data base that has been assembled as part of the water quality program.

- (g) A decrease of \$265,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$265,000.

Nature of Change. In order to achieve these savings, NASS will reduce interstation transfers, field staff travel to Headquarters for Agricultural Statistics Boards and other meetings, and other areas such as travel, training, supply purchases, printing and reproduction costs, utility usage, and equipment replacement.

- (h) A decrease of \$1,147,000 and 24 staff-years for a reduction in Federal employment costs.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment by FY 1998, NASS is reducing employment in FY 1995 by 2.1 percent from its FY 1993 base.

Nature of Change. To achieve the reduction, NASS will streamline its operations. This reduction will be accomplished through attrition, reductions in grade GS-14 and higher positions, and moving positions from Headquarters to field offices, where they will be filled at lower grades. This reduction excludes staff years associated with program increases.

- (2) A net increase of \$40,000 for statistical research and service consisting of:

- (a) An increase of \$26,000 for pay costs for the fiscal year 1995 pay raise.

- (b) An increase of \$22,000 which reflects a 2.6 percent increase in nonsalary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of the NASS statistical research programs.

Nature of Change. This increase will be used to maintain the current level of statistical research services. Examples of projected cost increases are for critical expenditures such as travel, postal rates, supplies, equipment, maintenance, and ADP related costs.

- (c) A decrease of \$8,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$8,000.

Nature of Change. In order to achieve these savings, NASS will reduce interstation transfers, travel to field offices, and other areas such as training, supply purchases, printing and reproduction costs, utility usage, and equipment replacement.



**NATIONAL AGRICULTURAL STATISTICS SERVICE**  
**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS**  
**1993 and Estimated 1994 and 1995**

	1993		1994		1995	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Alabama.....	\$855,316	14	\$872,000	14	\$948,000	14
Alaska.....	572,053	2	583,000	2	634,000	2
Arizona.....	646,958	9	660,000	9	717,000	9
Arkansas.....	1,125,314	16	1,148,000	16	1,248,000	16
California.....	3,328,129	33	3,297,000	34	3,580,000	34
Colorado.....	1,384,421	22	1,412,000	23	1,535,000	25
Delaware.....	82,094	1	84,000	1	91,000	1
District of Columbia.....	31,110,693	379	31,351,000	375	34,610,000	377
Florida.....	1,289,286	17	1,315,000	17	1,429,000	18
Georgia.....	1,203,226	16	1,227,000	16	1,333,000	16
Hawaii.....	445,242	8	454,000	8	493,000	8
Idaho.....	1,078,721	15	1,102,000	15	1,198,000	15
Illinois.....	1,631,025	18	1,663,000	19	1,807,000	19
Indiana.....	1,210,839	16	1,235,000	16	1,342,000	16
Iowa.....	1,572,383	18	1,604,000	19	1,743,000	19
Kansas.....	1,461,292	18	1,490,000	19	1,619,000	19
Kentucky.....	979,548	14	999,000	14	1,086,000	14
Louisiana.....	950,549	13	969,000	13	1,053,000	13
Maryland.....	754,058	11	769,000	11	836,000	11
Michigan.....	1,472,464	18	1,461,000	19	1,588,000	19
Minnesota.....	1,545,378	17	1,576,000	17	1,713,000	17
Mississippi.....	1,205,726	15	1,230,000	15	1,337,000	15
Missouri.....	1,308,882	17	1,335,000	17	1,451,000	17
Montana.....	782,561	12	798,000	12	867,000	12
Nebraska.....	1,479,991	18	1,509,000	19	1,640,000	19
Nevada.....	218,932	4	223,000	4	242,000	4
New Hampshire..	928,272	14	947,000	14	1,029,000	14
New Jersey.....	736,304	11	751,000	11	816,000	11
New Mexico.....	571,587	8	583,000	8	634,000	8
New York.....	1,321,189	16	1,347,000	16	1,464,000	16
North Carolina..	1,436,973	15	1,379,000	15	1,499,000	15
North Dakota...	1,072,749	14	1,094,000	14	1,189,000	14
Ohio.....	1,362,517	18	1,390,000	18	1,511,000	18
Oklahoma.....	1,001,710	14	1,022,000	14	1,111,000	14
Oregon.....	1,141,629	14	1,164,000	14	1,265,000	14
Pennsylvania...	1,020,142	16	1,040,000	16	1,130,000	16
South Carolina..	723,918	11	738,000	11	802,000	11
South Dakota...	1,026,678	15	1,047,000	15	1,138,000	15
Tennessee.....	939,134	13	958,000	13	1,041,000	13
Texas.....	2,652,714	27	2,629,000	28	2,857,000	29
Utah.....	571,293	10	583,000	10	634,000	10
Virginia.....	1,000,933	13	996,000	13	1,082,000	13
Washington.....	1,103,196	15	1,125,000	15	1,223,000	15
West Virginia..	509,316	8	519,000	8	564,000	8
Wisconsin.....	1,510,492	19	1,540,000	20	1,674,000	20
Wyoming.....	628,373	10	641,000	10	697,000	10
Subtotal, Available or Estimate.	80,954,200	1,022	81,859,000	1,027	89,500,000	1,033
Unobligated Balance.....	95,945	--	--	--	--	--
Total, Available or estimate	81,050,145	1,022	81,859,000	1,027	89,500,000	1,033



## NATIONAL AGRICULTURAL STATISTICS SERVICE

## STATUS OF PROGRAM

The National Agricultural Statistics Service (NASS) administers the United States Department of Agriculture's (USDA) program of collecting and publishing current national and State agricultural statistics. Statistical data provided by the Service on the Nation's agriculture are essential in making effective policy, production, and marketing decisions.

NASS programs are organized in the following major areas: (1) agricultural estimates, (2) statistical research and service, and (3) work performed for others.

AGRICULTURAL ESTIMATES

Current Activities: Agricultural production and marketing data are collected, summarized, analyzed, and published for a wide range of items including: number of farms and land in farms; acreage, yield, production, and stocks of grains, hay, oilseeds, cotton, potatoes, tobacco, fruits, vegetables, floriculture, and selected specialty crops; inventories and production of hogs, cattle, sheep and wool, goats and mohair, mink, catfish, trout, poultry, eggs, and dairy products; prices received by farmers for products, prices paid for commodities and services, and related indexes; cold storage supplies; agricultural chemical use; and other related areas of the agricultural economy and rural America.

Thousands of farmers, ranchers, agribusinesses, and others voluntarily respond to surveys about crops, livestock, and other agricultural activities. These surveys are supplemented by field observations, objective yield counts and measurements, and other data to provide reliable information.

The estimating program is conducted through 45 State Statistical Offices (SSO's) servicing all 50 States. The majority of these SSO's are operated as joint State-Federal offices. The cooperative funding arrangements with State agencies provide for development of additional State and county data to supplement and complement information produced with Federal resources.

Estimates for approximately 120 crops and 45 livestock items are published in almost 400 reports each year through the NASS Agricultural Statistics Board (ASB). All information is made available to the public and news media at scheduled release times. A user fee system covers the costs of maintaining mailing lists, printing, and mailing the releases. Survey respondents, news media, congressional offices, and other Federal agencies are not required to pay for ASB releases.

The principal program goals are to: (1) provide agricultural data and other statistical services needed for commercially important segments of the agricultural industry; (2) provide the necessary statistics in support of informed government policy development and program implementation, especially statistics mandated by law; (3) increase the accuracy, dependability, and public usefulness of national, State, and county data; (4) conduct program reviews to ensure that statistical information is collected and published in a timely and efficient manner, is relevant, and satisfies customer needs; (5) minimize the time between data collection and release; (6) improve information distribution; and (7) reduce survey costs and response burden on individuals and firms.

Selected Examples of Recent Progress: Recent accomplishments under this budget activity are cited below by project:

Response to Weather-Related Disasters:

1. Enhanced Survey Coverage. NASS intensified its monthly agricultural survey efforts in August through November for nine Midwestern States to determine the effect of the excessive rains and resulting floods on crop acres planted and to be harvested. The added data collection efforts in August resulted in

NASS contacting a record number of farmers for any monthly survey. With the continued concerns in these States and the drought in the Southeast, NASS extended additional survey work monthly from September through November.

2. Flood and Drought Area Vegetative Maps. Color map products based on polar orbiting weather satellite data were created and used to monitor crop conditions during the 1993 growing season. These color maps depicted changes in vegetation vigor by comparing 1993 vegetative indices to a similar period in 1992. Although limited by the data resolution, the maps were quite useful for reviews of the flood and drought regions.

#### Additional estimates and services:

1. Sheep On Feed reports. In 1993, at the request of Congress and the sheep industry, NASS initiated March and November Sheep-on-Feed surveys in 16 States, accounting for almost 90 percent of the U.S.-fed sheep and lamb inventory. Additional questions were also included on the existing January 1 Sheep Inventory Survey to obtain weight group information for lambs on feed in the major States.
2. Commercial Wool Stocks Survey. A special survey was conducted on January 1, 1993 to obtain commercial wool stocks by grade. These data were useful to USDA analysts and data users.
3. State level wage rates. Starting with the October 1992 Farm Labor report, annual average wage rates for field and livestock workers were published by State. Previously, these wage rates were only published at the regional level.
4. New pesticide prices. In April 1993, NASS published prices for 16 additional pesticides as part of USDA's expanded data program on farm chemicals.
5. Nursery and greenhouse study in Georgia. An in-depth nursery and greenhouse study was conducted in Georgia in late 1993. This study, similar to a study conducted in Oregon, will provide data on acreage in production, gross sales, and other marketing and wage information. The study will be published in January 1994 and will highlight the importance of this industry in Georgia.

#### Increasing data accuracy and dependability:

1. Farm Production Expenditure Estimates. Farm production expenditure estimates were developed using indications from the annual Farm Costs and Returns Surveys (FCRS), NASS Prices Paid by Farmers Survey, farm input information from private and public sources, and Bureau of Census benchmark data. Prior to development of the official expenditure estimates, NASS published aggregate survey data from the FCRS. These data were highly variable from year to year given the relatively small samples.
2. Grazing Fee Estimates. NASS began publishing grazing fee estimates for privately leased land in 17 Western States. Survey averages had been published previously. In addition to the data from a survey of ranchers, estimates take into consideration local range conditions, changes in forage values, and comparison with prior year's data.

#### Reviewing commodity programs:

1. Cost savings identified. During fiscal year 1993, NASS discontinued the monthly Celery report. This saved printing 11,600 copies of the Celery report annually. Celery estimates are now published in the periodic Vegetables reports. The preliminary Farm Production Expenditures report was discontinued, saving the printing of 1,300 copies. NASS also reduced the frequency of two other reports last year. The Farm Labor report changed from monthly to quarterly, saving the printing of 16,800 copies. The Vegetables report was reduced from 14 to 6 issues, saving the printing of 7,900 copies.

These changes were made to permit NASS to stay within its fiscal year 1993 funding authority.

2. Increased use of administrative data. Savings were made possible by developing procedures to use Agricultural Marketing Service livestock price quotes for monthly average livestock prices used to compute the prices received index. This change was made to permit NASS to stay within its fiscal year 1993 funding authority.

#### Environmental data expanded:

1. Expanded coverage on the Vegetable Chemical Use Survey. The Vegetable Chemical Use Survey, expanded from 5 States in 1991 to 14 States in 1993, and the Cropping Practices Survey, conducted in 32 States for field crops, provide statistically reliable State-level fertilizer and pesticide use information that has not been previously available.
2. Additional Water Quality Area Studies. The Economic Research Service (ERS) funded Water Quality Area Studies Project was completed in four additional water basins in 1993 for a total of 13 areas studied in the last 4 years.

#### Customer services and data handling:

1. Enhanced data user knowledge and input. Public Data Users Meetings were held in four States: Portland, Oregon; Grand Rapids, Michigan; Mt. Laurel, New Jersey; and Sacramento, California. The 1993 meetings focused on USDA specialty commodities, farm labor, and chemical use statistics. The meetings provided a forum for the public to review current reports and estimating procedures and to provide suggestions for improving the agricultural statistics program.
2. More electronic reports issued. In addition to electronically disseminating NASS reports through the USDA's Computerized Information Delivery Service, popular reports are now available to the public on a ERS/NASS electronic bulletin board. NASS has also developed additional data products on diskettes and is collaborating with USDA's Extension Service to make NASS reports available to a wider range of data users through the worldwide Internet system. This service is available now for the monthly Crop Production report and will be extended to include remaining NASS reports in 1994. Meetings were also held with the National Agricultural Library to explore ways to improve dissemination of NASS reports to the international community.
3. Agricultural Statistics publication reviewed. A committee of USDA agency representatives performed a comprehensive review of the Agricultural Statistics publication. The committee examined items such as tables that could be eliminated, new tables to be added, and the addition of graphic presentations.

#### Business process re-engineering:

1. Improving the list sampling frame. NASS embarked on two major projects for the improvement and maintenance of the NASS list sampling frame using client/server relational data base technology. The first project will migrate the list sampling frame from a mainframe computer to local area networks in NASS field offices. The second project will simplify and improve the process for transfer of data from the Agricultural Stabilization and Conservation Service to NASS.
2. Re-engineering data collection processes. NASS also began a major initiative to improve handling of manual review, computerized editing, analysis, and summary of survey data. Manual data review processes will be automated and the current computer processing will be moved from a leased mainframe to microcomputers on local area networks. Two studies were conducted to



evaluate interactive data editing in selected State offices. Staff productivity improved up to 16 percent over traditional paper-based methods. This represents the first step toward a goal of "downsizing" all survey processing.

3. New survey sampling procedures. NASS is implementing a significant new random sampling procedure for major surveys in all States which maximizes the dispersion of samples among different respondents. Each sampled individual will now have a reduced number of survey contacts during the year and fewer repeat contacts for the same survey 2 years in a row.
4. Wide area network. A wide area network (WAN) was installed connecting each of NASS's 46 different locations. The WAN connects 45 different local area networks (LAN) in the NASS field offices to the Headquarters LAN's in Washington, D.C. The WAN provides electronic mail capability between every employee in NASS, regardless of location. The E-Mail tool has improved communications and cut down considerably on the amount of paper used in routine day-to-day communications.

#### STATISTICAL RESEARCH AND SERVICE

Selected Examples of Recent Progress: Recent accomplishments under this budget activity are cited below by project:

##### Improving operational programs:

1. Utilizing administrative data from non-NASS sources. NASS staff members are researching and in the early stages of implementing a procedure to model non-NASS administrative data to estimate monthly milk production. NASS will eliminate up to eight monthly surveys in affected States thereby reducing cost and respondent burden.
2. Evaluation of improved analysis procedures. NASS research staff are evaluating the use of an "Expert" automatic data processing system to rapidly analyze survey results and reduce human resource needs to prepare Agency commodity reports.
3. Evaluation of California environmental program administration information. NASS staff members are also evaluating the use of the California regulatory program information as a replacement for collecting environmental information from a sample of producers in separate surveys.
4. Evaluation of sampling and estimation procedures for the Chemical Use and Farm Finance Survey. NASS is evaluating an integrated procedure to combine several separate surveys into one consolidated data collection effort.
5. Computer assisted personal interviewing (CAPI). CAPI has been used in an operational environment on a small pilot scale for three of NASS's surveys. The June 1993 experience with three enumerators indicated potentially large time savings (up to 70 percent) in the office when editing CAPI-collected questionnaires. In addition, enumerators continued using CAPI even after the formal test, indicating their desire to use this new technology. This research will be continued in 1994 on a subsample basis in Indiana and Pennsylvania and will include an evaluation of survey management procedures, such as data transmission, check-in, sample distribution, etc., in addition to training materials.
6. Satellite data for crop acreage estimation. Acreage estimates based on Landsat satellite digital imagery were made for the 1993 crop season in Arkansas. These estimates included August 1 indications for rice and cotton plus December 1 end-of-season indications for rice, cotton, and soybeans. Crop county estimates and color thematic maps based on similar work in three Mississippi Delta States during the 1992 crop season were created and distributed.



7. Geographic information system (GIS) applications. Significant progress toward building an Agricultural Chemical Use Data Base based on GIS principles was made in 1993. This data base will contain geo-referenced survey data for crops, vegetables, and fruit chemical use and will allow GIS analyses to answer Departmental, congressional, and other data user queries on water quality data.

#### Statistical consulting and services:

1. Assistance to the Human Nutrition Information Service (HNIS). Statistical consulting assistance was provided on the sampling design for future HNIS dietary surveys. Advice was also given on the analysis of survey data, the creation of adjustments for survey nonresponse, the development of reasonable measures of survey accuracy, the estimation of the distribution of usual dietary intakes, and the revision of the nutrient data bank program.
2. Assistance to the Agricultural Marketing Service (AMS). NASS staff provided statistical assistance and advice for the residue testing component of the Pesticide Data Program. This involved revising the sampling procedures of fresh fruit and vegetables selected in the wholesale market and determining statistically correct weighting schemes for linking the survey samples to the total population of interest.
3. Consultation to University of Maryland, Eastern Shore. NASS staff provided statistical consultation to Professor Anagrah Shaw, University of Maryland/Eastern Shore, in support of her efforts to test the effectiveness of various clothing fabrics for minimizing pesticide contact with skin during applications.
4. Other consultation to USDA agencies. In addition to HNIS and AMS, NASS provided statistical consultation and advice to the Agricultural Stabilization and Conservation Service, the USDA Office of Advocacy and Enterprise, and the USDA Equal Opportunity/Civil Rights Critical Element Review Committee.

#### WORK PERFORMED FOR OTHERS

Selected Examples of Recent Progress: Recent accomplishments under this budget activity are cited below by project:

#### Environmental activities expanded:

1. New environmental survey. The Environmental Monitoring and Assessment Program (EMAP) is a new Environmental Protection Agency funded program with technical support from the Agricultural Research Service. EMAP is designed to develop ecological indicators to monitor the long-term health of agricultural ecosystems. NASS has assisted by conducting pilot surveys to test sampling methodology.

#### New surveys undertaken:

1. Special State surveys conducted. In cooperation with State Departments of Agriculture and industry groups, NASS conducted 125 special surveys in 1993 covering such issues as farm safety, pesticide use, exotic livestock, nursery/horticulture, farm finance, and specialty vegetable crops.

## Special Surveys Done in 1993 by NASS State Statistical Offices:

<u>Type</u>	<u>Number</u>
Crops, Specialty Crops, Vegetables, etc.	38
Fruit	20
County Estimates	13
Pesticide Use	11
Livestock	9
Safety/Health, Disability	8
Nursery/Horticulture	5
Farm Finance	4
Misc. - All other	<u>17</u>
<b>TOTAL</b>	<b>125</b>

2. Farmer Opinion Survey. NASS conducted a Farmer Opinion Survey of USDA publications and information for the Office of Public Affairs (OPA). Data were collected for 50 States in late August. The survey results will be used by OPA to improve the USDA information delivery service.
3. National Animal Health Monitoring System. The purpose of this survey program, funded by the Animal and Plant Health Inspection Service, is to collect and analyze animal health data to provide scientifically sound and current information on the health status of U.S. livestock and poultry. The work performed in fiscal year 1993 consisted of a beef cattle project.
4. Pilot agricultural survey for Native Americans. NASS staff and the Native American Intertribal Agricultural Council are jointly developing a pilot agricultural survey system for Native American agriculture. The pilot survey is to be conducted in June of 1994 in the State of Montana.

International activities:

1. International assistance provided. NASS provided technical assistance and training to improve agricultural statistics programs in a number of developing countries. Long-term resident assistance was provided in Pakistan while short-term assignments supported work in several other countries, including Egypt, Bulgaria, Poland and Morocco. The NASS International Statistics course, conducted in Washington, D.C., trained 17 persons from seven countries. Extended training by NASS staff was also provided to the department head of Agricultural Statistics, National Statistical Institute, Portugal. This 4-week training course covered remote sensing, image processing, geographic information systems, area frame construction, and sampling plus general overviews of the Agency's statistical systems.

## PASSENGER MOTOR VEHICLES

The 1995 Budget Estimates propose the purchase of 1 additional motor vehicle and the replacement of 2 passenger motor vehicles.

The passenger motor vehicles of the National Agricultural Statistics Service are used (where common carrier of GSA vehicles are not feasible) for necessary field travel in carrying out the mission of the agency. All passenger motor vehicles are located at various field offices.

Additional passenger motor vehicle. The one additional passenger motor vehicle is for the NASS field offices. GSA has gradually closed many of its motor pool facilities making it more difficult for NASS personnel to obtain cars when needed. The use of common carrier is not feasible in carrying out the program of NASS.

Replacement of passenger motor vehicles. Replacement of 2 of the 6 vehicles now in operations is proposed. These 6 vehicles are located in 5 field locations and are necessary to meet the transportation requirements inherent in carrying out the agency's program. The vehicles proposed to be replaced will have passed the minimum replacement standards of 6 years of age or 60,000 miles prescribed by the General Services Administration.

Age and mileage data for motor vehicles on hand as of September 30, 1993, are as follows:

Age-Year Model	Age Data		Lifetime Mileage (thousands)	Mileage Data	
	Number of Vehicles	Percent of Total		Number of Vehicles	Percent of Total
1988 or older	1	17	80-100	0	0
1989	4	67	60-80	0	0
1990	0	0	40-60	5	83
1991	0	0	20-40	0	0
1992	1	17	Under 20	1	17
1993	0	0	Total	6	100
Total	6	100 a/			

a/ Column does not add because of rounding.

THURSDAY, APRIL 14, 1994.

## **ECONOMIC RESEARCH SERVICE**

### **WITNESSES**

**KEITH J. COLLINS, ACTING ASSISTANT SECRETARY FOR ECONOMICS,  
DEPARTMENT OF AGRICULTURE**

**BRUCE GREENSHIELDS, ECONOMIC RESEARCH SERVICE**

**STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE**

### **ERS REDUCTIONS**

Mr. DURBIN. With the Economic Research Service, I see that there is a proposed reduction of about 6 percent, or three and a half million dollars, but you are not very specific in how you are going to achieve this reduction.

Can you tell us whether or not you are talking about staff year reductions to be achieved through attrition or RIFs, and what your goals will be?

Mr. GREENSHIELDS. Mr. Chairman, we are on a track to reduce the size of the agency by 25 percent over a five-year period between 1994 and 1998. We do not plan to do that by reduction in force. We plan to do it through attrition. We now have the authority to offer early retirement options and buy-outs and we are doing that.

I am not sure if you were also asking me what we were not going to do in a smaller agency. We do not have specifics on that but we are working through a strategic planning process where we are trying to reinvent what a smaller Economic Research Service would look like and we are going to try to realign that with the Secretary's newly defined mission areas, so we would have relatively more emphasis, for example, in the areas of resource conservation and the environment, in food safety, food quality, nutrition, and rural development.

Mr. DURBIN. And which areas would you cut back?

Mr. GREENSHIELDS. Not that they are not important, but we would have relatively less emphasis on commodities and commodity analysis, commodity programs, and relatively less emphasis in the trade area, including specific knowledge about foreign countries and their policies.

Mr. DURBIN. And you say you are going through this strategic planning process now.

Mr. GREENSHIELDS. We are doing that now.

### **COMMODITY REPORTS**

Mr. DURBIN. I would like to follow-up with the Economic Research Service on testimony from the CFTC hearing. Keith Collins is resting on a couch, maybe he could come join us here at the table for just a moment. [Laughter.]



He thought he had escaped, and I do not want him to think that for a minute.

We had some testimony just a few minutes ago from CFTC about the timing of the release of information and its impact on international commodity markets. Can you tell me what you have worked out in this area?

Mr. COLLINS. Yes, Mr. Chairman, I can. It was interesting to hear Ms. Holum say that she thought the Department of Agriculture did a salutary thing in our release time change.

Mr. DURBIN. It is on the record.

Mr. COLLINS. It is on the record. I hope I am so sure a few months from now.

What we worked out is a process where we are going to run a one-year pilot program to release our most market sensitive reports at 8:30 in the morning. We have some reports that are market sensitive that we will not release at 8:30 because of statutory requirements. We cannot release cotton before 3:00 in the afternoon.

So on our report release days, beginning with our May report, and the May report is an important one because it is our first objective yield survey of the winter wheat crop, very market sensitive, so next month beginning with the May report we will have an 8:30 a.m. release for most of our commodities. That same day at 3:00 in the afternoon we will release a few other commodities such as citrus and cotton. And that will be for our crop production reports, our grain stocks reports and our world agricultural supply and demand estimates reports.

Mr. DURBIN. So we ought to be able to monitor those two announcements and draw some information from those as to whether or not we should coordinate all the announcements at, say, 8:30 in the morning.

Mr. COLLINS. That is correct. I think the key here is the question that you raised relating to the international competitiveness of financial instruments that are offered by U.S. exchanges.

We are making this move because we are convinced that there is a case that the Japanese markets and other markets that open prior to ours have a competitive advantage, that they are getting some business from people around the world that would otherwise come to U.S. markets because they can trade this information first.

We are not completely sure of that case. We have done some analytical work to try and document that case. There is no question that the U.S. share of instruments traded around the world has gone down. There is no question about that. We talked earlier about the Tokyo exchanges. The volume on the Tokyo exchanges has gone up tremendously over the last three or four years.

The reason for that is what is at question.

Is it because we have information that comes out that can be traded there first? Or, is it because it is financially advantageous for grain companies and others to take positions in both markets to diversify their risks, to in fact do some cross hedging that way.

We are not sure of the answer to that but we will have a year in which to monitor that and see if this early release has an effect and provides our exchanges such as the Chicago Board of Trade some advantage.

## ERS REDUCTIONS

Mr. DURBIN. Mr. Greenshields talked about some of the problems you are going to face as you cut back and try to develop a strategic plan to put your assets where they are going to be most effective. I note that he mentioned some of the commodity information that had been released before may be changed or altered or perhaps not reported in the future. How do you make that kind of a decision? Do you look to see whether there are alternative sources of information which are reliable? Or are you just forced to limit what you can do?

Mr. COLLINS. Well, we have not made that decision yet. We are in the process of that decision. It is a very agonizing decision. This is an agency that is now planned to shrink over time so I do not know that we are really talking about increasing food and nutrition work or some of these other areas that Mr. Greenshields mentioned in some real big absolute way. We are talking about decreasing certain areas and so, relatively, things will change.

Among the areas that Mr. Greenshields mentioned, commercial agriculture is where we are thinking about, at this point, taking the brunt of the cuts. And part of the reason for that is simply the information demands the Economic Research Service is getting as a result of the changing structure of American agriculture and the changes in rural America.

We have at the Department of Agriculture the responsibility for rural development across the executive branch. We have a Secretary that has emphasized rural development, rural economic activities. We find our information base for doing some of the things he wants to do is lacking.

We have a Secretary that is emphasizing improving nutrition in school lunches and other things. We find we do not have an information base to look at some of the questions. Simple things like what is the cost going to be of school lunches as they meet dietary guidelines.

So we know that we need to put more effort, more resources, into answering those other questions across the Department of Agriculture. In the area of commercial agriculture, we have been very strong. We have provided tremendous data to the commodity programs. We do not want to relinquish that. We want to be able to do all things but with the budget tightness, that is not going to be the case. So we are in the process now of trying to identify those priority areas, and one of the things that we will do is look at what is available in the private sector.

We now provide some kinds of short-term analysis on commodity markets. Maybe that kind of analysis is better provided by commodity consulting firms than us.

So those are the kinds of things we will be looking at.

[CLERK'S NOTE.—Biographical sketches appear on pages 766 and 767. Mr. Deaver's statement appears on pages 768 through 779. The Explanatory Notes appears on pages 780 through 794.]

[Additional questions and responses follow:]

## REDUCTION IN ANALYSIS TO FARMERS

Mr. DURBIN. The budget request will result in less expertise and fewer economic and social indicators and data bases available to the farmer and support industries. Since your agency is the main source of economic information and analysis to the farmer, what impact is this going to have on the farm industry as well as the U.S. economy?



RESPONSE. We hope to manage the downsizing of ERS in such a way as to minimize any potential adverse effects of program reductions on the farm industry and U.S. economy. Fewer indicators will be available, but the most important indicators at the national level will be retained, and we will work with the users to help them find alternative sources where possible.

#### EFFECTIVENESS OF ERS

Mr. DURBIN. At what level do you, as an agency, become ineffective?

RESPONSE. ERS becomes ineffective when it lacks the capacity—staff, data, and research support infrastructure—to dependably deliver timely and objective analysis in those subject-matter areas for which USDA has sole or significant responsibilities.

#### CAPABILITY OF ERS

Mr. DURBIN. At the top of page 3 in your statement you say, and I quote, "However, it is unclear to me at this time that we will be able to do as much as might be expected in all of these areas." You are referring to the refocusing of your resources to the programs highlighted in the Department's reorganization. Would you explain what your meant by this statement?

RESPONSE. The statement meant that we cannot continue to be all things to all people. We cannot continue to do all that we are now doing, plus address the new mission areas of the Department, with fewer resources.

#### SALARY REDUCTION

Mr. DURBIN. While you propose to reduce staff by 31, resulting in a savings of \$2.244 million, your object class table for "Personnel Compensation and Benefits" only shows a decrease of \$428,000 in fiscal year 1995. How do you explain this?

RESPONSE. Fiscal year 1995 salaries include \$415,000 for the FY 1995 costs of the fiscal year 1994 locality pay increase approved by the President and \$731,000 for the total 1.6-percent pay increase in fiscal year 1995 proposed by the Administration. The remaining reduction of \$670,000 is for nonsalary support costs for the 31 staff.

#### ERS CONTRACTING

Mr. DURBIN. Do you contract out for any work done by your agency? If so, please describe the type of work you contract out, the need to contract out, and the cost of contracting out versus doing the work in-house.

RESPONSE. We do not contract for any analytical work.

#### STATE OBLIGATIONS

Mr. DURBIN. There is a table in the explanatory notes which shows the geographic breakdown of obligations and staff-years by States. In fiscal years 1993 and 1994, you show obligations in 32 and 24 states, respectively, while in fiscal year 1995 there is no obligations shown for any State. First, tell us what this money was used for in fiscal years 1993 and 1994, and second, tell us why this changed in fiscal year 1995.

RESPONSE. In fiscal years 1993 and 1994, the money obligated in the States was used for cooperative agreements with universities to support the programs of the Economic Research Service. The change in fiscal year 1995 reflects the fact that we do not know which States will be cooperators in FY 1995.

#### INFLATION COSTS

Mr. DURBIN. An increase of \$227,000 is requested to cover inflation costs to maintain critical parts of your program. Provide the Committee with a description of what these critical parts are, as well as a detailed breakout of how you arrived at the increase.

RESPONSE. The critical parts necessary for the ongoing work of ERS are the non-salary costs, such as: travel, supplies, equipment, data purchases, etc., necessary to ensure the staff has materials to perform their tasks. This increase was arrived at by taking 2.6 percent of non-salary costs, per Administration economic indicators.

#### INFLATION AND EMPLOYMENT REDUCTION

Mr. DURBIN. How will your proposed employment reduction affect these critical parts?

RESPONSE. The proposed employment reduction is neutral with respect to its effect on the remainder of the budget. That is, the salary and nonsalary support costs are included in the reduction.

## OAE TRANSFER

Mr. DURBIN. The budget estimates reflect a transfer of \$14,000 to the Office of Advocacy and Enterprise for an EEO specialist to provide EEO counseling services for the economic agencies. Is this a permanent transfer?

RESPONSE. Yes, this is a permanent transfer.

## ECONOMIC ANALYSIS STAFF TRANSFER

Mr. DURBIN. You also make a note that under the Secretary's proposed reorganization plan, beginning in 1995, four staff-years and \$340,000 will be moved to Executive Operations for Economic Analysis. Is this in addition to the 31 staff-years proposed for reduction in 1995?

RESPONSE. Yes, ERS staff will be reduced by an additional 4 staff years.

## BUDGET REQUEST

Mr. DURBIN. What was your budget request to the Secretary; what was the Secretary's request to OMB; and what was OMB's allowance?

RESPONSE. Our agency budget request to the Secretary was \$59,317,000; the Secretary's request to OMB was \$53,856,000; and OMB's allowance was \$53,654,000.

## OTHER SERVICES

Mr. DURBIN. Provide for the record a sub-object class breakdown of object class 25.2, "Other Services," for fiscal years 1994 and 1995.

RESPONSE. The information follows:

## OTHER SERVICES (OBJECT CLASS 25.2)

(Dollars in thousands)

Service	1994	1995
Departmental assessments for central services and agencywide central services .....	\$1,411	\$1,022
Contractual services—other .....	728	527
Training .....	333	241
ADP primarily Kansas City Computer Center .....	416	301
Data acquisition .....	407	295
Miscellaneous other .....	344	249
Total .....	3,639	2,635

## OBJECT CLASS DESCRIPTIONS

Mr. DURBIN. Two new object classes appear on the tables this year; object class 25.3, "Purchases of Goods and Services from Government Accounts," and object class 25.5, "Research and Development Contracts." Please describe each one and tell us why they appear in the budget for the first time this year even though you show a dollar amount for them in fiscal years 1993 and 1994.

RESPONSE. These two new object classes are required by OMB in their instructions and guidance for the preparation of the fiscal year 1995 budget. Object class 25.3 includes obligations for purchases from other Federal agencies or accounts. It also includes interagency agreements for contractual services for the purchase of goods and services. Object class 25.5 includes cooperative agreements with State universities and other institutions. Figures for these object classes were included in object class 25 in fiscal years 1993 and 1994 budgets.

## OTHER USDA APPROPRIATIONS

Mr. DURBIN. Obligations under other USDA appropriations drop pretty significantly, from \$7.5 million in fiscal year 1993 to \$2.4 million in fiscal year 1995. What is the reason for this decline?

RESPONSE. The primary reason for the decline is the reduction of two studies: the first is the discontinuance of a study for the Federal Crop Insurance Corporation for \$1.5 million; and the second is a reduction of \$2.4 million for the project with the Rural Development Administration.

## CONGRESSIONAL BUDGET OFFICE

Mr. DURBIN. What work did you do for the Congressional Budget Office?

RESPONSE. ERS cooperates with CBO in handling requests for data and in helping CBO in using ERS models or data. For instance, a CBO study was published July 1993, entitled *A Budgetary and Economic Analysis of the North American Free Trade Agreement*. Chapter 4 addresses issues relating to agriculture and borrows



heavily from ERS publications, most notably *Agriculture in a North American Free Trade Agreement*. In addition ERS responded to CBO queries regarding published materials on various NAFTA agricultural issues.

During 1993, CBO staff used an ERS computable general equilibrium—CGE—model to examine the value-added tax proposal and the btu tax proposal. ERS cooperated with CBO staff in making model modifications, in sharing modeling expertise, and interpreting modeling results.

#### OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

Mr. DURBIN. Explain why, from fiscal year 1992 to fiscal year 1993, the amount reimbursed from the Office of International Cooperation and Development decreases from \$2.27 million to \$1.95 million, while staff-years increase from 14 to 22.

RESPONSE. The reimbursements from OICD in FY 1992 reflected some new projects that were in the early stages of planning and preparation and therefore required increased investment costs in the purchase of supplies and equipment and less labor intensive—staff-years—analysis. The fiscal year 1993 OICD reimbursement required higher staff-year analysis and less nonsalary investment.

#### U.S. AND MEXICO FARMING

Mr. DURBIN. During fiscal year 1994, the Agriculture and Rural Economy Division will compare United State and Canadian farming structures to better understand the potential implications of trade reform. Will you also compare the United States and Mexico?

RESPONSE. We believe the extension of our U.S.-Canadian analysis to include Mexico is necessary to fully understand the operation and effects of the recently enacted North American Free Trade Agreement—NAFTA. Under this agreement, Mexican agriculture will be subject to increasing pressures to adjust toward the U.S. and Canadian models. Effective monitoring and assessment of the structural, economic, and welfare effects of trade reform on the participating countries will require an inventory of structural characteristics in Mexico to match with similar baseline characteristics for U.S. and Canadian agriculture.

The comparative study that ARED has initiated compiles and analyzes U.S. and Canadian data on farm numbers and size, ownership, organization of resources, technology, and economic well-being of farmers by commodity sector and region, as well as information related to agricultural inputs, processing, and marketing. Our intent is to extend this analysis to include Mexico.

#### HIRED FARM WORKERS

Mr. DURBIN. When do you plan to publish the results of research done on the socioeconomic characteristics and earnings of hired farm workers, including an assessment of the effects of changing labor policies on the supply, demand, and well-being of hired workers?

RESPONSE. ERS regularly publishes information on the socioeconomic characteristics and earnings of the Nation's hired farmworkers. A biennial report based on 1992 data from the Current Population Survey—CPS—earnings file is currently in editorial review and will be published early in the summer of 1994. This report profiles the demographic and regional characteristics, weekly earnings and hours worked of hired farmworkers, with comparisons to other occupational groups. In addition, a recently published ERS study examines the adequacy of labor supply in the fruit, vegetable, and horticultural industry, the characteristics of those workers, patterns of labor use, and issues likely to affect the future supply of farm labor in the United States. This analysis draws on data from the Census of Agriculture, Department of Labor, and the CPS earnings files.

The assessment of the effects of changing labor policies on the supply, demand, and well-being of hired farmworkers is an ongoing area of research. Past analyses have focused, for example, on the effects of immigration reform legislation on the employment and wages of farm labor. Studies currently in progress focus on the potential effects of an increase in minimum wage on the economic well-being of hired farmworkers and the implications of the North American Free Trade Agreement for U.S. farm employment and wages.

## FARM SURVEYS

Mr. DURBIN. The explanatory notes and your statement both mention that due to reductions in Federal spending, the number of farmers interviewed for USDA farm financial surveys has been reduced. Why isn't this information collected through the National Agricultural Statistic Service surveys or through the Agricultural Stabilization and Conservation Service?

RESPONSE. ERS collaborates with the National Agricultural Statistics Service to conduct the USDA's annual economic survey of farmers and ranchers, the Farm Costs and Returns Survey. Funding for enumeration of the FCRS is provided in the ERS budget. NASS receives no funds for enumeration. Thus, direct costs of data collection are provided by a pass-through of funds from ERS to NASS. NASS and ERS share responsibilities for designing and conducting the survey. These responsibilities include designing sampling schemes to represent all farmers and ranchers nationwide, developing questions to reflect correct theoretical concepts for use in preparing farm financial statements as well as for use in preparing estimates of prices paid indices and parity prices, and in writing computer routines to efficiently handle the data for summary, review, and analysis purposes.

NASS statisticians take the lead in designing the survey sample and ensuring that correct statistical procedures are used. ERS economists take the lead in designing survey questions, ensuring that correct accounting and economic concepts are reflected in the data that are collected. Use of proper theoretical concepts is important since these data are not only used to make statements about the financial health of the farm sector, but are also used by the Department of Commerce in preparing estimates of gross domestic product and personal income. Since ERS has the responsibility for preparing estimates of the farm financial indicators published by USDA, including estimates of the net income earned by farm businesses and off-farm income earned by farm families, funding for enumeration of the FCRS has been provided through ERS's annual budget appropriation.

Farm finance data are not collected by the Agricultural Stabilization and Conservation Service. ASCS collects only those data needed from participants in commodity programs to ensure that the programs are being properly implemented and that payments can be calculated. To analyze farm financial performance and national income accounting, data are needed for all farmers, not just for program participants. Data must also be collected on the debts, assets, expenses, and incomes of the farm, including information about the wide variety of complex marketing and financing arrangements that farmers use to lessen their business risks.

## FARM OPERATOR HOUSEHOLDS

Mr. DURBIN. At the request of the Secretary, you publish, on a monthly basis, a table which shows the level and sources of income of farm operator households. Please provide a copy of the latest table for the record.

RESPONSE. I will provide, for the record, a table that gives ERS's latest estimates of the average income to farm operator households from farm and nonfarm sources for the period 1990 to 1994. This table is published each month in *Agricultural Outlook*, "Statistical Indicators", table 30.

[The information follows:]

## AVERAGE INCOME TO FARM OPERATOR HOUSEHOLDS, 1990-94

[Dollars per operator household]

Item	1990	1991	1992	1993F	1994F
Farm income to household .....	\$5,742	\$4,397	\$4,337	\$4,993	\$5,555
Self-employment farm income .....	4,973	2,283	2,829	n/a	n/a
Other farm income to household .....	768	2,114	2,010	n/a	n/a
Plus: Total off-farm income .....	33,265	31,638	35,731	34,954	36,457
Income from wages, salaries, and nonfarm businesses .....	24,778	23,551	27,022	n/a	n/a
Income from interest, dividends, transfer payments, etc. ....	8,487	8,087	8,709	n/a	n/a
Equals: Farm operator household income .....	39,007	36,025	40,068	39,947	42,013

Note.—F = forecast. n/a = not available. Totals may not add due to rounding.

## RURAL AMERICA

Mr. DURBIN. How are the socioeconomic characteristics of Rural America changing?



**RESPONSE.** During the 1980's, family incomes stagnated and rural (nonmetro) poverty rates rose, from 15.7 percent to 16.8 percent, despite the increasing labor force participation of women. For the first time since at least WWII, income disparity between rural and urban America increased. Rural median family incomes were 78 percent of urban (metro) incomes in 1979 but only 73 percent of urban incomes in 1989. Since 1989, there has been some convergence, but only because urban incomes have fallen.

Rural children have been particularly hard hit. Their poverty rates rose from 18.5 percent in 1979 to 21.9 percent in 1989. According to 1992 statistics, rural children had a poverty rate of 23.5 percent, significantly higher than the urban rate of 21.4 percent. Poverty rates among rural Black children at 52.3 percent and Hispanic children at 47.7 percent were also higher than in urban areas in 1992.

Three trends underlie the recent decline in rural economic well-being. There has been a decline in rural earnings, especially for less-educated workers. There has been a decline in the education levels of young adults, particularly young men. And, there has been an increase in the proportion of families with children that are headed by women.

Between 1979 and 1989, annual inflation-adjusted wage and salary earnings declined by 5 percent for rural men while they rose by 3 percent for urban men. The rural decline was especially large for young adult men and men without a high school degree. Earnings rose for rural women by 11 percent, but only because more were working part-time and/or full-time. For urban women, the rise in earnings was 28 percent. In spite of being more likely to work full-time in 1989, earnings fell by 3 percent for women without a high school degree. While detailed statistics are not yet available for the 1990's the rural trends appear to have continued. Rural earnings per nonfarm job, which fell by 7.5 percent between 1979 and 1989, declined a further 2.3 percent by 1991.

While education statistics for the rural population ages 25 and older show improvements between 1980 and 1990, education levels fell among young adults ages 25-34. People entering their careers in rural areas during the 1980's had much less education than people who had entered 10 years earlier. The 19 percent of rural young men who had not finished high school in 1980 was about the same as the 20 percent in 1990, but the proportion with a college degree fell from 19 percent to 13 percent over the decade. The statistics for young adult women are slightly more favorable, as high school dropouts decreased from 20 percent to 17 percent and college completion only fell from 15 percent to 14 percent. Blacks, Whites, and Hispanics were all affected by these trends.

This deterioration in rural education levels reflects both a national decline in the education levels of young adult men and a "brain drain" of the better educated young men and women from rural to urban areas in search of better job opportunities. The proportion of urban young adult men with a college degree also fell between 1980 and 1990, but only from 29 percent to 26 percent. Young women's college completion rates rose from 22 to 25 percent. Urban young adults are now about twice as likely to have college degrees as rural young adults.

The third trend eroding rural economic well-being is the decline in two-parent families in rural areas. The proportion of rural families with children that are headed by women rose from 15 percent to 21 percent between 1980 and 1990. Black families headed by a single parent rose from 37 percent to 49 percent.

The poverty rate for rural female-headed families with children, already 44 percent in 1979, rose to 51 percent in 1989, much higher than the 40 percent urban rate. Other rural families with children had a poverty rate of 11.5 percent according to the 1990 Census. The decline in 2-parent families and the increase in the poverty rate of female-headed families with children resulted in a 50 percent increase in the number of poor female-headed families with children between 1980 and 1990. The urban increase was 23 percent.

Partly as a result of the declining economic opportunities in rural areas, the population aged 18-34 declined by 4.4 percent in rural areas between 1980 and 1990 while it grew in urban areas by 6.4 percent. The population aged 65 and over was the fastest growing rural age group and constituted 14.7 percent of the rural population in 1990, up from 13 percent in 1980. Blacks continued to leave rural areas as the Black population grew by only 3.2 percent in rural areas compared to 15.4 percent in urban areas. The Hispanic population grew by 30.4 percent in rural areas over the decade, compared to 56.2 percent in urban areas. Population estimates for 1992 suggest that the rate of loss of rural population due to migration has slowed since 1990.

#### MANUFACTURING IN RURAL ECONOMY

Mr. DURBIN. Your statement points out that some work your agency has done has highlighted the importance of manufacturing to the future success of the rural economy. You may elaborate further on this statement.

RESPONSE. Traditionally, rural economies have been thought of as predominantly resource dependent economies. However, even in the most rural counties, manufacturing is superseding agriculture and mining as the primary economic base. From the 1950's until the 1980's, the national growth in manufacturing and its decentralization to rural areas produced about 1 million new manufacturing jobs in rural areas each decade. These jobs absorbed many people leaving agriculture and resulted in a shift in the economic base from agriculture to manufacturing in many rural areas.

Manufacturing now accounts for nearly 25 percent of personal income in rural America and 20 percent of rural jobs. Two and a half times as many rural workers are employed in manufacturing as in farming, forestry, and fishing combined. Even in counties classified as farming dependent, about as many people work in manufacturing as in agriculture. While future growth in manufacturing jobs in rural areas is hardly assured, it is clear that agriculture and other resource-based industries are even less likely to provide job growth for many rural communities.

#### RURAL CONDITIONS AND TRENDS

Mr. DURBIN. When do you anticipate publishing a report on trends in rural families, jobs, and income according to regional location, remoteness from major urban centers, and the nature of the local economy?

RESPONSE. The fall 1993 issue of *Rural Conditions and Trends* contains a special analysis of Census of Population and Housing data, including 1980-90 change in the social and economic characteristics of rural areas classified by region, remoteness from major urban centers, and the nature of the local economy. The fall issue is currently at the printers. We expect to begin distribution by March 25, 1994.

#### RURAL AREA SPENDING

Mr. DURBIN. How has Federal spending in rural areas changed during the 1980's.

RESPONSE. The last ERS study of the geographic distribution of Federal spending focused on 1985 outlays. ERS is currently preparing a comparison of the geographic distribution of Federal spending in 1980 and 1990. This study will look at the distribution of spending between urban and rural areas, and among different types of rural areas, broken down by type and purpose or function of spending. The study will use 1980 data compiled by the Community Services Administration and 1990 data compiled by the Census Bureau. We are currently engaged in resolving inconsistencies between these two sets of data and expect to begin our comparative analyses later this year.

#### NAFTA STUDY

Mr. DURBIN. The Agriculture and Trade Analysis Division is planning to research the success or failure of GATT negotiations and regional trade agreements. Will they also research the success or failure of NAFTA as well?

RESPONSE. Yes, the analysis of NAFTA is in the Agriculture and Trade Analysis Division's work plans. In addition, the Department and ERS are engaged in ongoing research and monitoring of the impact of NAFTA on the U.S. farm sector.

#### GLOBAL FOOD ASSESSMENT

Mr. DURBIN. This Division also produces an annual global food assessment which includes analysis of food-aid needs for certain countries. Tell us the results of your 1993 assessment.

RESPONSE. ATAD's 1993 global food assessment, now entitled Food Aid Needs Assessment, reported 1993-94 grain food aid needs of 14 million tons for 60 developing countries. This amount of food aid would only maintain per capita consumption at the average of the last 5 years. To meet minimal nutritional standards would re-



quire 23 million tons of grain food aid. These 60 countries received less than 11 million tons of aid in 1992-93. Shipments are not expected to increase in 1993-94. Regionally, Sub-Saharan Africa and Asia have the largest needs. However, recovery from the drought in Southern Africa has significantly reduced Africa's 1993-94 needs compared with needs in 1992-93.

#### COST OF PRODUCTION ESTIMATES

Mr. DURBIN. Since the Farm Bill of 1977, you have been mandated to provide cost-of-production estimates for commodities covered under the price support programs. The extent of survey coverage will be reduced due to budget constraints. How useful have these estimates been over the years.

RESPONSE. Since the inception of the Farm Costs and Returns Survey in 1984 as the basis for cost-of-production information, ERS has prepared the only national estimates of costs of production that are collected and developed on a consistent basis using a probability-based sampling foundation. ERS has extended its cost-of-production program to provide information on the distribution of production costs and has prepared cost-of-production estimates which measure the direct impacts of government program participation for several commodities. Estimates are also being developed which isolate the cost structure of farm operators allowing for measurement of land tenure and debt financing impacts.

Since ERS funds the costs of FCRS data collection, ERS budget constraints have reduced the number of farmers that can be contacted each year and reduced the frequency of survey coverage for each program commodity. In addition, ERS will no longer make cost-of-production estimates for commodities that are not covered by price supports as we have in the past. The ability to publish national average estimates of cost of production is least affected by these survey changes. The most damaging effects are on the capability to published regional and state estimates and to prepare more indepth analysis of how and why costs vary.

Cost-of-production estimates prepared by ERS are used directly by the Department to formulate policy for peanuts, tobacco, and sugar. Administration of the sugar loan program involves both sugar producers and processors. Annual estimates of production costs for sugar beets and sugar cane and sugar processing costs are provided to ASCS for making annual adjustments in the sugar support prices. USDA cost-of-production data also provide a necessary basis from which a variety of other issues can be examined or resolved. Recent examples of other uses of USDA cost-of-production data include development and evaluation of alternative Federal Crop Insurance options, a GAO analysis of the peanut program, a World Resource Institute analysis of national economic impacts of a transition to sustainable agriculture, a report by the Office of Energy on the implications for farmers of a fuel use tax based on BTU content, an examination of the effects on dairy income from increased production resulting from bST use, baseline projections for the agricultural sector to the year 2005, and a project to assess response to planting flexibility options under the 1990-farm bill.

#### COST OF PRODUCTION ESTIMATES REPEAL

Mr. DURBIN. Does the Administration plan to repeal this mandate in the 1995 Farm Bill?

RESPONSE. At the present there are no plans to repeal the mandate to produce estimates of the costs of producing farm program commodities such as wheat and milk. Cost-of-production estimates support a wide variety of farm commodity program and managerial decisions.

#### MANDATED STUDIES

Mr. DURBIN. Please provide a list of all Congressionally mandated studies your Agency performs.

RESPONSE. The following is a list of Congressionally mandated studies that we perform.

- Annual report on trends in family farm operations (7 U.S.C. 2266(b))

- Annual global assessment of food production and needs, and planned programming of food assistance for the coming year (7 U.S.C. 1736b(a))

- Annual report on foreign ownership of agricultural land (7 U.S.C. 3504)

- Annual estimates of cost of production for wheat, feedgrains, cotton and dairy commodities (7 U.S.C. 1441(a))

- Annual report on amount producers receive for primary commodities contained in retail products (Section 2513 of the Food, Agriculture, Conservation, and Trade Act of 1990).

#### CROP INSURANCE PROGRAM

Mr. DURBIN. Has your agency evaluated the Administration's proposed legislation to reform the Crop Insurance Program? If so, what is your analysis?

RESPONSE. ERS participated in discussions of the proposed legislative language with the Office of the Assistant Secretary for Economics during the development of the reform package. We also evaluated the concept of area-triggered disaster assistance, which is provided for non-insured crops in the reform package. We concluded that disaster payments under area-triggered disaster assistance would be considerably lower than under an individually triggered program.

ERS also critiqued FCIC's Blueprint, which details FCIC's strategies for achieving a 1.1 loss ratio by October 1995, as required by OBRA of 1993. The Blueprint was released concurrently with the reform proposal.

#### CROP INSURANCE PROGRAMS ALTERNATIVES

Mr. DURBIN. Describe for us the large-scale study you are performing on alternative crop insurance programs.

RESPONSE. We are working with FCIC on an ongoing basis to develop alternatives for the Crop Insurance Program. The large-scale study we are developing is a general model framework that will provide flexibility to examine a wide variety of options. This framework will include both individual-based and area-based designs. The following is a chart that summarizes the projects and a general description of the projects.

**A Target Revenue Program**—This design would combine the current target price and program yield into a target revenue. The target could be based on costs of production, or a moving average price as well. A farmer would receive a payment for a specific crop if his or her actual (or area) revenue fell below the target level. The revenue payment would make up the shortfall.

**Revenue Assurance**—This design would pay a farmer when his or her revenue for a crop in a given year fell below the 5-year moving average revenue for that crop. A revenue payment would make up the difference, bringing farm revenue for the crop up to the 5-year average level.

**Market Value Protection**—This option bases crop insurance payments on the harvest price, rather than a pre-set price election. When used in combination with forward pricing, this modification offers farmers more effective protection against revenue shortfalls than available with current crop insurance. This "wrap-around" option to the current crop insurance plan is being offered by a private company, with reinsurance provided by FCIC.

**Whole-Farm Insurance**—The above approaches guarantee a crop-specific revenue. Whole farm insurance would guarantee revenue for the farm as a whole. Such a program would pay producers if their whole-farm income fell below a pre-set level. Canada's Net Income Stabilization Account operates under this principal.

We will be delivering reports on these designs, as well as others, to FCIC in October 1994. The analyses will use farm income stability and Federal outlays as the main performance criteria. Examinations of rate-setting under revenue-based approaches, analysis of integration of revenue insurance and commodity program parameters, and other topics will also be provided.

SUMMARY OF "TERMS OF REFERENCE" ERS PLAN OF WORK FOR FCIC	
<b>Project 1:</b>	<b>Develop Expanded Group Risk Plan (GRP) Pilots</b>
	<ul style="list-style-type: none"> <li>Expand GRP pilots to 7 new crops for 1994 delivery to producers.</li> <li>Use weather data as a basis to: make advance GRP payments, curb adverse selection, analyze zone definition, and examine other issues.</li> </ul>
<b>Project 2:</b>	<b>Evaluate GRP Pilots</b>
	<ul style="list-style-type: none"> <li>Survey GRP areas to analyze financial and risk characteristics of GRP purchasers vs. non-purchasers, as well as other issues.</li> <li>Analyze effects of GRP on lender behavior, Federal outlays, producer returns, private company incentives.</li> <li>Develop recommendations regarding the costs and benefits of GRP.</li> </ul>
<b>Project 3:</b>	<b>Analyze Revenue Insurance</b>
	<ul style="list-style-type: none"> <li>Provide in-depth analysis of alternative revenue insurance designs, simulating performance of alternatives with a focus on income stability and Government outlays.</li> <li>Make recommendations on one or more prototypes in terms of coverage, rate-making guidelines, etc.</li> </ul>
<b>Project 4:</b>	<b>Examine Crop Insurance and Sustainable Agriculture</b>
	<ul style="list-style-type: none"> <li>Analyze the impact of a producer's adoption of sustainable practices on yield risk and risk management strategies, including crop insurance purchase.</li> <li>Examine the role of crop insurance in altering production in fragile areas.</li> </ul>
<b>Project 5:</b>	<b>Examine Crop Insurance and Limited Resource Farmers</b>
	<ul style="list-style-type: none"> <li>Examine risk-profile characteristics of limited resource farmers and their use of crop insurance and other risk-management strategies.</li> <li>Determine ways in which FCIC can best meet limited resource farmers' needs and develop recommendations for action.</li> </ul>
<b>Project 6:</b>	<b>Research New Programs for 25 Specialty Crops</b>
	<ul style="list-style-type: none"> <li>Examine the feasibility of providing, and the demand for, insurance for each crop, focusing on the characteristics among differing areas and regions that may affect potential program performance.</li> <li>Analyze advisability of offering insurance and recommend courses of action.</li> </ul>
<b>Project 7:</b>	<b>Analyze Insurance Based on Cost of Production (COP)</b>
	<ul style="list-style-type: none"> <li>Develop COP-based insurance schemes for a potential pilot, focusing on alternative COP-based concepts as well as measurement and data issues.</li> <li>Develop supporting program detail to aid in pilot implementation.</li> </ul>
<b>Project 8:</b>	<b>Support FCIC's Analytical Needs</b>



## ENVIRONMENTAL IMPACT OF FARM PROGRAMS

Mr. DURBIN. You have done quite a bit of analysis work on the economic and environmental impact of farm policies and programs. The Administration's budget proposal this year has significant reductions to the conservation programs of the Soil Conservation Service and the Agricultural Stabilization and Conservation Service. Have you evaluated what the impact will be to the environment if conservation programs of the Soil Conservation Service and the Agricultural Stabilization and Conservation Service are reduced or eliminated?

RESPONSE. No evaluation of proposed reductions has been conducted or requested to date. There are not yet specifics regarding which areas and which practices would be reduced. ERS has a body of research regarding the costs and relative effectiveness of conservation practices for soil erosion and water quality improvement. This research could be used to evaluate program reductions when more specifics are known.

## WATER QUALITY PROGRAMS

Mr. DURBIN. You have a number of studies underway looking at the costs and benefits of the Department's water quality program. A project studying the effectiveness of water quality practice demonstration projects was to be completed in 1993. An economic study of incentive programs for water quality improving practices will be completed in 1994. An economic evaluation of water quality policies in the Western Corn Belt will be completed in 1994. And, an evaluation of the water quality program for the entire U.S. will be completed in 1995. What is the status of each of these projects?

RESPONSE. Two studies of the effectiveness of demonstration projects were completed in 1993. One looked at adoption of management systems introduced in demonstration projects using primary data gathered from producers within demonstration project areas. This forthcoming report assessed the role of information dissemination by the Government on the adoption of alternative management practices. The second report provides a more comprehensive assessment of the benefits and costs of the Department's Water Quality Program. The report will cover five cases study sites. The results have been shared with other USDA agencies and a report is forthcoming.

Economic studies of incentive programs for water quality improving practices and of water quality policies in the western Corn Belt are underway, and will be completed this year. Data from the Areas Studies project is being used in these studies. One report focuses on the economic effects of producer adoption of alternative nutrient, pest and water management practices in Nebraska. In addition, an economic evaluation of atrazine management policies in the Corn Belt has been completed and will be released soon as an ERS Agricultural Economics Report.

An evaluation of voluntary approaches for protecting water resources from agricultural runoff will be completed in 1995. This study will rely on data from the Area Study projects, and evaluations of the USDA water quality projects.

## NAFTA REPORT

Mr. DURBIN. Please provide the Committee with a copy of the report which provides a detailed explanation of NAFTA titled, *Agriculture in a North American Free Trade Agreement*.

[CLERK'S NOTE.—The report is too lengthy for reprint. A copy is retained in Committee files.]

## NAFTA AND AGRICULTURAL EXPORTS

Mr. DURBIN. Your analysis has shown the NAFTA could increase agricultural exports by \$2.6 billion and add over 56,000 jobs. Is this an overall net increase?

RESPONSE. The \$2.6 billion and 56,000 jobs relate to U.S. exports of agricultural commodities.

We did not attempt to estimate the number of jobs that would be created or lost due to an estimated \$500 million increase in U.S. imports from Mexico. Cattle, fruits and preparations, vegetables and preparations, and frozen concentrate orange juice account for 83 percent of this total. Beyond the farm gate, the services sector of the economy which includes transportation, distribution, marketing, wholesale, retail, etc. will handle a larger volume of products. This would be job enhancing for the services sectors, assuming there is no excess capacity or job neutral where excess capacity now exists. Jobs will be created at the ports of entry in order to handle the increase in flows. Higher agricultural imports could result in some job loss at the farm level due to lower output prices and some contraction in production. Pro-



duction is typically more capital intensive than the services sector, so we believe the net effect of imports on jobs will be positive. We simply do not have good enough data and information to be able to estimate a job impact number, however.

#### FOOD SAFETY INITIATIVES

Mr. DURBIN. Provide, for the record, a table showing the amount, in both dollars and staff, your agency has spent on the Department's Food Safety Initiative for the last five years, including estimates for fiscal years 1994 and 1995.

RESPONSE. The following is a table that shows the agency efforts related to the Department's Food Safety Initiative.

TABLE. FOOD SAFETY INITIATIVE

	Thousand dollars	Staff-years
Fiscal year:		
1989 .....	300	3
1990 .....	325	3
1991 .....	550	5
1992 .....	550	5
1993 .....	550	5
1994 (estimate) .....	675	6
1995 (estimate) .....	675	6

#### PESTICIDE DATA PROGRAM

Mr. DURBIN. Also, include a similar table for the Pesticide Data Program.

RESPONSE. The following is a table for the record.

PESTICIDE DATA PROGRAM

	Thousand dollars	Staff-years
Fiscal year:		
1989 .....	480	5
1990 .....	1,500	16
1991 .....	1,900	20
1992 .....	1,900	19
1993 .....	1,900	18
1994 (estimate) .....	1,200	10
1995 (estimate) .....	1,200	10

#### FOOD SAFETY SEMINARS

Mr. DURBIN. Provide a list of the Food Safety Seminars held in fiscal year 1993. Do you plan to continue this series in fiscal year 1994?

RESPONSE. We will provide for the record a list of fiscal years 1993 and 1994 seminars as well as those planned for the remainder of fiscal year 1994.

11/2/92—Michael Farmer, Ohio State University, "Myths About the Provision of Intergenerational Transfers: Are Markets Consistent with Sustainability"

11/7/92—Dr. Jordan Lin, University of Florida, "Valuing Food Safety Using the Contingent Valuation Method"

12/4/92—Video/Dr. Peter Sandman, Rutgers University, "Risk = Hazard + Outcome: Formula for Effective Risk Communication"

1/27/93—Dr. David Lynch, Mary Washington College, "Valuing Consumer Benefits When They Hold Misperceptions About Risks"

2/18/93—Dr. Phil Kaufman, Marketing Economics Branch, ERS, "Food Safety in the Supermarket"

2/25/93—Dr. Ken Forsythe, Agricultural and Trade Analysis Branch, ERS, "Costs and Benefits of Selected Quarantine Treatments for U.S. Fruit and Vegetable Imports: Irradiation vs. Methyl Bromide"

5/27/93—Dr. Tari Kindred, Chief of the Residue Planning Branch, FSIS, "Risk Analysis in the Food Safety and Inspection Service"

6/17/93—Dr. Nell Ahl, Head of Risk Analysis Systems, APHIS, "Risk Analysis in the Animal and Plant Health Inspection Service"

7/22/93—Dr. Tanya Roberts, CED, on microbes and Drs. Fred Kuchler/Katherine Ralston, RTD, on pesticides, "Risk Analysis in the Economic Research Service"

1/12/94—Dr. Prabhu Pingali, International Rice Research Institute "Pesticides, Rice Productivity, and Farmer Health: A Philippine Case Study"

2/17/94—Dr. Jean Buzby, University of Kentucky and ERS, "Statistical and Psychological Influences on Contingent Valuation Responses"

3/22/94—Dr. Richard A. Williams, Jr., FDA, "The Economics of HACCP (Hazard Analysis Critical Control Points)"

4/28/94—Dr. Pauline Ippolito, Federal Trade Commission, "Information Policy and Consumer Behavior: A Study of Fat and Cholesterol Consumption in the United States"

5/18/94—Dr. Jay Shogren, Iowa State University, "Valuing Food Safety in Experimental Auction Markets"

#### NUTRITION EDUCATION PROGRAMS

Mr. DURBIN. During last year's hearing, Dr. Lee stated that the Economic Research Service was working closely with other USDA agencies to improve the evaluation of nutrition education programs. Would you please bring the Committee up to date on the status of this initiative?

RESPONSE. ERS has played a key role in improving the evaluation of the Extension Service/WIC Nutrition Education Initiative. ERS personnel met with representatives form FNS and ES various times last summer to set up an overall evaluation strategy for the Initiative. ERS took the lead role in collaboration with ES to set up the National Orientation Meeting for the ES/WIC projects. The meeting focused on evaluation of the projects by the States. In addition to setting the agenda for the meeting, ERS personnel presented technical information to State project directors on how to improve their evaluations. ERS personnel also facilitated group discussions on program reporting systems, ES/WIC collaboration at the State level, and the use of common instruments in measuring educational outcomes. ERS has assisted the State projects through teleconferences and written reports in the development and automation of instruments to measure specific behavioral outcomes. ERS has actively participated in meetings of the Federal level "ES/WIC Implementation Team," which includes personnel from ES and FNS. ERS has provided written comments in order to improve the evaluation and reporting sections of the FY 1994 RFA. ERS has also made recommendations on the funding of State projects under the Initiative for FY 1994.

#### WIC FOOD BASKET COSTS

Mr. DURBIN. Your agency has been working with the Food and Nutrition Service on developing and evaluating a model for forecasting and monitoring WIC food basket costs. A final report was expected to be sent to Congress in the third quarter of fiscal year 1993. Has the report been sent? If so, please provide a copy for the record. If not, what is the delay?

RESPONSE. The report has just been cleared and copies are being prepared for distribution. FNS will send copies of the report to your committee soon.

#### FOOD AND NUTRITION SERVICE PROJECTS

Mr. DURBIN. On page 10 of your statement you state that your agency has been working with the Food and Nutrition Service on a number of projects. Would you describe these projects in further detail.

RESPONSE. ERS has been working closely with FNS on four major projects. One involves development and evaluation of a WIC food cost index and a forecasting model. The second concerns development of a measurement instrument for domestic food security and hunger. A third covers coordination and technical support for evaluation of 17 joint WIC/Extension Service nutrition education projects being conducted in 17 States. The fourth involves chairing two of nine domestic topic areas in the U.S. Plan of Action for Nutrition being developed in response to the International Conference on Nutrition held in Rome in December 1992. In addition to these major projects, ERS has provided general technical assistance on a number of quick response analyses regarding various economic issues, models, data, and analysis strategies.

#### USDA HISTORY SINCE 1961

Mr. DURBIN. A publication entitled *The History of the Department of Agriculture Since 1961* was expected to be released in fiscal year 1992. Has this document been released? What type of information does it contain, how many copies were printed, what was the cost to produce it, how many copies have been sold, and what is the sales price?



RESPONSE. The *History of the Department of Agriculture Since 1961* is a book-length manuscript that was put on hold in FY 1993 because of budget cutbacks. Individual sections on particular agencies have been nearly finished through the Bush Administration. Chapters dealing with the Kennedy and Johnson Administrations are in final format with introductory sections. The remaining introductory sections on succeeding Administrations are in progress along with an appendix detailing organizational changes. Work on the final stage will resume in March with a goal of completion and clearance by various department agencies by the end of the calendar year. When completed, the work is expected to be the standard reference on recent USDA history. It is both an administrative history of the Department and a policy history focusing on the work of individual agencies.

The expected print-run is 5,000 copies. Current printing cost estimates range from \$13,000 to \$31,000. We are investigating potential publication arrangements that would reduce the cost to ERS. We also expect to publish the history in CD-ROM format. The sales price has not yet been determined.

#### RURAL DEVELOPMENT COUNCILS

Mr. DURBIN. As a result of the Rural Development Initiative of 1990, Rural Development Councils were to be established to better plan and manage rural development in each State. At this time last year, 44 States and territories had established Councils or were in the process of establishing them. What is the status of these Councils? How effective have they been in promoting and developing our rural areas?

RESPONSE. Memoranda of understanding have been signed between USDA and 37 States to establish State Rural Development Councils. In addition, the Pacific Territories and Puerto Rico are examining establishing Councils. The status of councils among those 37 States and territories varies. Some are over 3 years old, while others are just now forming. Thus, the effectiveness of councils in promoting rural development varies as well. Some results to date are:

The identification and subsequent removal of impediments to development created by various governmental regulations and procedures. For example, the South Dakota Council identified an FmHA regulation that required annual audits that, in some cases, cost more over the life of the loan than the amount of the loan itself, even though other Federal regulations already mandate community wide audits. Through the initiative's "Impediments" procedure, the Council got FmHA to drop the additional audits for communities with annual gross incomes of less than \$500,000. As a result, USDA officials estimate that the FmHA decision may save communities more than \$400 million nationwide.

The Kansas Council created a single loan application process to mitigate the obstacle presented by numerous applications forms, all requiring the same basic information, but all using different formats. As a result, seven Federal and State agencies have developed a single small business loan application form. The single application allows easy access to multiple funding opportunities, more joint funding by Federal and State agencies, wiser investment of public funds in economic development through standardized credit criteria and evaluation, and reduced time and paperwork in filing applications and servicing loans.

In addition to their roles in identifying and removing impediments, the Councils have been proactive in promoting economic development. The Texas Council worked with several Federal, State, and county agencies to help provide funding for the construction of a sunflower seed processing facility. As a result, the company is saving several hundred thousand dollars a year in transportation and cleaning costs and creating new job opportunities in its rural area. The South Carolina Council helped create a regional waste water treatment system to meet existing demands and also expand as new industries are attracted to the area. In Mississippi, the Council worked with the banking industry to gain support for the State's poultry industry, thus helping to create jobs in many rural areas across the State.

Finally, State Councils are working with ERS to investigate and develop long-term development strategies. For example, ERS is working with the Maine Council to improve productivity and competitiveness of firms in the secondary wood products industry. Several Councils in the High Plains are receiving assistance from ERS in investigating the potential for increased international trade and ways to realize that potential. And, the Councils in Idaho and Nebraska, with help from ERS, are investigating the cumulative effects of governmental regulations vis-a-vis limited capacity in rural areas to pay for and meet those regulations. The Councils will use the information gained from those studies to develop mitigation strategies that are sensitive to the lack of capacity in rural areas yet still comply with the regulations.

## USER FEES

Mr. DURBIN. For fiscal year 1993, how many products were available through user fees, what was the number of requests, and what was the total sales made?

RESPONSE. In fiscal year 1993, 853 products were available through user fees. We filled 20,866 requests and total sales were \$312,000.

## USER FEE TABLE

Mr. DURBIN. Update the table that appears on page 27 of last year's hearing record, listing fees collected from sales of publications, to include 1993 actual.

RESPONSE. The information follows:

Fiscal year:	Amount
1988 .....	49,000
1989 .....	140,000
1990 .....	312,000
1991 .....	338,000
1992 .....	327,000
1993 .....	312,000

## COMPLIMENTARY SUBSCRIPTIONS

Mr. DURBIN. Your agency provides needed economic information and analysis for farmers, agribusiness, and the public through about 20 different outlook publications. You have stated that a complimentary subscription of these reports is sent to every member of the Subcommittee. Does every member of Congress receive a complimentary subscription?

RESPONSE. We provide complimentary subscriptions to *Agricultural Outlook*, our overview of the US agricultural sector, to all Members of the Senate and House Agricultural Committees. We do not routinely provide complimentary subscriptions to this or other reports to all Members of Congress. But we do provide subscriptions to Members and staff on request. At present, complimentary subscriptions to all outlook publications for members and staff total 1,565. These go to 300 different individuals or offices.

## COMPLIMENTARY SUBSCRIPTION COST

Mr. DURBIN. What is the cost to send Members of Congress these reports? If you can, please break this out between the House and the Senate.

RESPONSE. The only significant additional cost of the 1,565 subscriptions now going to members and staff is postage. Other costs would be incurred even if the complimentary subscriptions were not provided. The total annual bill for first class postage for these subscriptions is about \$11,000. The Senate and House shares of this total are 36 and 64 percent, respectively.

## EUROPEAN UNION

Mr. DURBIN. Please give us an update on the status of the European Union's plan to create a single unified market and how it affects U.S. products.

RESPONSE. The European Union largely completed adoption of all directives that would affect rules and regulations concerning agricultural production and trade by January 1993. This includes the reform of the agrimonetary system and the elimination of monetary compensatory amounts. Implementation of the EU directives by individual member states continues, but meanwhile, much of the regulation of intra- and extra-EU trade is being done on an ad hoc basis.

The United States meets with the EU on a regular basis on health and safety issues, including pesticide tolerance levels and equivalency of standards. Veterinary and health standards within the EU are supposed to be harmonized beginning January 1994. Animal products such as poultry meat, meat products, aquaculture products, pet food, and casings are affected. Under the relevant directives, the EU Commission must maintain lists of establishments authorized to ship to the EU. Eligibility was to be based on EU inspections, but the Commission lacks the resources to conduct all the inspections. In the meantime, eligibility to ship to individual member states will be transferred to the EU level.

The United States is concerned that the EU's use of a positive list of establishments would make it difficult for new firms to ship to the EU, or result in qualified U.S. exporters being omitted from the list. There is also the possibility that U.S. poultry meat exports, worth \$36.4 million in fiscal year 1993, could face some of the problems which have disrupted U.S. exports of beef and pork to the EU.



The United States emphasizes the importance of recognizing equivalent sanitary and health measures, as called for under the recent agreement in the Uruguay Round. Other areas of interest to the United States affected by the single market program include regulations on food additives, and on definitions of organic food.

#### EUROPEAN UNION'S ORGANIC FOOD LAW

Mr. DURBIN. What is the impact on the U.S. of the EU's organic food law?

RESPONSE. The EU's organic food law specifies production and marketing rules for organic crop products, with an official EU label for products that qualify. With a CAP reform subsidy, the organic sector will probably expand beyond the 9,000 farms and 150,000 hectares reported in 1990. U.S. exports of organic products have been hampered by the EU's certification procedure, but negotiations continue.

Under CAP reform, EU organic farmers can receive 150 ECU (\$201) per hectare, rising to 350 ECU (\$466) per hectare if the farmer undertakes additional environmental measures. Only mineral, plant, and animal substances may be used for plant protection and yield enhancement. Land must be managed according to organic practices for at least 2 years before products can be marketed as organic. The EU law applies to unprocessed and processed crop products, with detailed lists of food additives and processing aids which may be used in the preparation of foodstuffs. Common EU rules on organic livestock production are expected soon.

The organic label could promote trade within the EU, by ensuring that all organic products conform to common EU standards. EU member states can require stricter standards for products grown in that country, but cannot block products entering with the approved EC label. Organic products may not be labeled as nutritionally superior.

U.S. exporters of organic products must provide documentation for each shipment providing that the product was grown and handled according to EU rules. Maintaining the list of inputs used through the marketing chain has proven the most difficult part of the process, particularly for processed agricultural products. The U.S. is negotiating for U.S. organic certification groups to be able to provide an affidavit assuring that the product was grown and handled according to EU rules. Organic exports from Argentina, Austria, Israel, Sweden, and Switzerland enter the EU under this system. Under the EU law, non-EU products should be eligible for the official EU organic label, which would make access to the EU market easier.

U.S. exports of organic products are included in statistics for non-organic products, so organic trade is difficult to quantify. U.S. organic exports to the EU are thought to be high-value products, but with a small volume of trade. One U.S. industry source estimates U.S. organic exports to the EU at \$100 million to \$150 million per year. The U.K. and German markets probably hold the most potential for consumption of organic products, and therefore U.S. exports.

#### ENVIRONMENTAL PROTECTION AGENCY

Mr. DURBIN. Please tell the Committee what work you did in fiscal year 1993 and what you have ongoing in fiscal year 1994 related to the findings of the Environmental Protection Agency.

RESPONSE. ERS is involved in the National Agricultural Pesticide Impact Assessment Program. ERS's role in this program is to assess the economic impact of EPA actions regarding pesticides on farmers and agricultural production. The work performed and findings for FY 1993 involved the effects of banning certain pesticides on cotton, banning of propargite, chlorpyrifos, and methyl bromide.

For FY 1994, assessments have been or are being made on chlorpyrifos, diazinon, fungicides on leafy green vegetables, and 2,4-D. NAPIAP is currently considering the initiation of several assessments this fiscal year that may require ERS participation in future fiscal years. These include triazine herbicides in sites other than corn and sorghum, the fungicide benomyl, and pesticides affected by the Delaney Clause and commodity impacts for potatoes, tomatoes, wheat, and strawberries. The following are specific findings or efforts for FY 1993 and FY 1994.

#### FY 1993

*Cotton:* Examined the economic effects of banning 48 individual pesticides and 9 major groups of pesticides. Annual economic losses of banning pyrethroid insecticides, seed treatment fungicides, or all desiccants and defoliants would be about \$600 million per year. Banning other major groups would cause losses in the \$100 million to \$400 million range, while the losses of banning individual materials would typically be much less than \$100 million.

Craig Osteen, "Potential Economic Effects of Banning Cotton Pesticides," in *The Importance of Pesticides and Other Pest Management Practices in U.S. Cotton Production*, NAPIAP Report 1-CA-93, June, 1993.

The cotton assessment helped NAPIAP to quickly estimate the economic loss of cancelling arsenic acid, a desiccant, in response to an EPA proposal. The estimated loss was about \$50 million.

FY 1994

**Propargite:** Estimated the annual economic loss of banning this miticide on 21 crops to be about \$240 million. In addition, the report estimated the annual loss of having no miticides on almonds, apples, corn, cotton, and grapes to be \$150 million.

Craig Osteen, "Economic Effects of Banning Propargite," in *Biological and Economic Assessment of Propargite*, to be completed in 1994.

**Chlorpyrifos:** Estimates the annual economic impact of banning the use of this insecticide on more than 40 crops to be about \$100 million.

Martin Shields and Craig Osteen, "Estimating Economic Impacts," in *Biologic and Economic Assessment of Chlorpyrifos*, prepared by NAPIAP, completed draft.

**Diazinon:** examines the impacts of banning the use of this insecticide on over 50 crops. Assessment in progress.

**Fungicides on leafy green vegetables:** Examines the impacts of banning the use of important fungicides in the production of lettuce, spinach, collards, kale, mustard greens, and turnip greens.

Craig Osteen, "Potential Economic Effects of Banning Fungicides Used on Leafy Green Vegetables," in *The Importance of Plant Disease Management in U.S. Production of Leafy Green Vegetables*, prepared by NAPIAP.

**Methyl Bromide:** Estimates the annual economic loss of banning the use of methyl bromide for soil fumigation in the production of 21 crops to range from \$850 million to \$1.1 billion.

Walter Ferguson, "The Economic Effects of Banning Methyl Bromide for Soil Fumigation," in *The Biologic and Economic Assessment of Methyl Bromide*, ERS Agricultural Economic Report, to be published in March 1994.

**2,4-D:** Recently initiated assessment to examine the effects of banning the use of this herbicide on more than 40 crops. Assessment in progress.

ERS also evaluates EPA's water quality programs. The Chemical Use Surveys, conducted annually by ERS and NASS, collect data used to identify State-level chemical use and to assess long-term trends in chemical usage. The Area Study Surveys (conducted in cooperation with ERS, NASS, USGS, and SCS) are designed to provide the information needed to understand the impact of chemicals on the Nation's waters and on U.S. farmers. Using the Area Studies, ERS is also evaluating the economic and environmental effects of several water-quality-related policies to provide legislators and the public with the information needed under the Coastal Zone Management Act and under the Clean Water Act.

#### EPA REGULATION ON WORKER SAFETY

Mr. DURBIN. Have you done any analysis on the impact of EPA's new regulation concerning farm worker safety and pesticides?

RESPONSE. ERS has published a summary of the regulations governing EPA's Worker Protection Standard for Agricultural Pesticides. This report describes the provisions that all agricultural employers must meet when they employ workers who perform hand labor operations in fields, forests, nurseries, and greenhouses treated with pesticides. The standard became effective on October 20, 1992, and agricultural employers must be in full compliance with this regulation on or after April 15, 1994.

#### FARM WORKER SAFETY AND PESTICIDES SPENDING

Mr. DURBIN. What funds were expended in fiscal year 1993 and what do you expect to spend in fiscal year 1994 in this area?

RESPONSE. We did not expend any funds on farm worker safety and pesticides in fiscal year 1993 as the work on the regulation summary was done earlier. We expect to spend \$130,000 in fiscal year 1994 to examine the economics of protective devices in handling and applying pesticides.

#### PRICE SPREAD BETWEEN FARMER AND CONSUMER

Mr. DURBIN. Please bring the Committee up to date on your study of the price spread between the farmer and the consumer. What did you spend in fiscal year 1993 and what do you expect to spend in fiscal year 1994?



**RESPONSE.** The price spread represents all charges made by marketing firms involved in processing and distributing foods, and includes their profits. In 1993, the spread between prices consumers pay for food and farm prices of commodities accounted for 74 cents of each dollar consumers spend for food in retail food stores, a 2.9 percent increase. Changes in the price spread over time are mainly caused by changes in the costs of products and services that food marketing firms purchase from the nonagricultural sector of the economy. About half of total food marketing costs are for labor. Labor rose because of increases in hourly earnings for employees and escalating costs for employee benefits, particularly health insurance. In addition to labor, food marketing firms incurred higher costs for transportation, packaging and food containers, electric power, advertising, repairs and many other services. Many food manufacturers and retail food chains earned higher profit margins in 1993. The increase in the farm to retail price spread was the principle component of a 2.4 percent rise in retail food prices in 1993. Farm prices of food commodities averaged 1.6 percent higher, due in large measure to higher livestock and poultry prices.

Farm value shares varied widely among the group of 41 food products studied. The farm share is higher for animal products than for crops because animal products generally require more inputs and thus have higher farm values. For example, the farm share was 56 percent for choice beef, 54 percent for broiler chicken, and 42 percent for fresh milk. Costs tend to be the highest for prepared foods while the farm value of the commodities used in them is relatively low. For example, the farm share was 26 percent for peanut butter, 16 percent for potato chips, 6 percent for bread, and 5 percent for corn flakes cereal. Farm shares for foods are reported in an Agricultural Information Bulletin, *Food Costs . . . From Farm to Retail in 1993*.

ERS spent \$390,000 on farm-to-retail price spread research in 1993. We expect to spend \$400,000 in 1994.

#### ERS AND OTHER USDA AGENCIES

**Mr. DÜRBIN.** The appropriation for ERS is used to fund staff in other USDA agencies, specifically the Economics Management Staff, the Office of Energy, and the Economic Analysis Staff. Provide a breakout, in both dollars and staff, that is associated with each of these offices.

[The information follows:]

#### STAFF FUNDED IN OTHER USDA AGENCIES—FY 1994

(Dollars in thousands)

Office	Dollars	Staff
Economics management staff .....	\$5,734	91
Office of Energy .....	851	7
Economic analysis staff .....	320	4

#### AGRICULTURAL ENVIRONMENTAL REPORT

**Mr. DÜRBIN.** When do you expect to publish the State of Agricultural Environmental Report? What will be included in this report?

**RESPONSE.** For several years, ERS has published four *Agricultural Resources Situation and Outlook Reports* focusing on land use and value, commercial input use, and resource conservation. Beginning in June 1994, ERS will publish a new annual report, *Agricultural Resources and Environmental Indicators*, which consolidates the information in *Agricultural Resources Situation and Outlook Reports* and provides new material on resource quality and public policy designed to promote conservation and environmental quality in agriculture.

*Agricultural Resources and Environmental Indicators* will track trends in land and water use and valuation; monitor nutrients, pesticides, machinery input use in the agricultural sector; report on the condition of natural resources used in the sector; examine the adoption of alternative production practices; and assess public policies that affect conservation and environmental quality in agriculture. We intend to continue to provide the necessary data and analysis for our *Situation and Outlook* readers, and to expand coverage to include readers who are interested in resource issues, resource valuation, and the role of technology in improving profits, efficiency and conservation.

The new report will stress the economic component of input use and natural resource use, the role of economics in the development and adoption of alternative production practices, and evaluations of alternative policy approaches to conservation.

By combining data and information into one annual report, we can reduce production costs while improving information and data delivery, which are important components of our efforts to improve the quality of government services.

#### ETHANOL

Mr. DURBIN. Describe the work you are doing in the area of ethanol.

RESPONSE. ERS economists are addressing selected topics on the economics of ethanol. During 1993, ERS published a series of Agricultural Information Bulletins related to: technological change and its effect on production costs, the agricultural affects of increased ethanol production, the impact of increased ethanol production on rural employment, and the interaction of agricultural and trade policies on the corn gluten feed market. Results from these studies indicated that the estimated cost savings associated with near-term technologies range from \$0.05 to \$0.07 per gallon of ethanol while long-term technologies could reduce costs an additional \$0.04 to \$0.08 per gallon. Converting cellulose from other plants and organic waste is expected to significantly lower ethanol production costs. Also increasing expected ethanol production from an expected 1.2 billion to 2 billion gallons per year would increase total farm income by \$170 million. Expanding ethanol production to 5 billion gallons per year would increase total farm income by \$1.0 billion. Increasing ethanol production to 2 billion gallons per year would create 28,000 jobs nationwide while increasing ethanol production to 5 billion gallons per year would create 108,000 jobs nationwide. Profitability of ethanol depends on sales of corn gluten feed, a co-product of ethanol production. Because 90 percent of total U.S. CGF production is exported to the European Union—EU, EU farm policies will be an important determinant of CGF demand.

ERS also monitors and the amount of feed grain going to industrial uses such as ethanol. Updates are provided as part of the *Feed Situation and Outlook Report*. In addition, ERS has started to assess the role for agricultural feedstocks in general as part of its *Industrial Uses of Agricultural Materials Situation and Outlook Report*. Finally, ERS plans to assess the role of agricultural as both a user and a provider of energy as part of its new *Agricultural Resources and Environment Indicators Report*.

ERS also provides funding for the USDA Office of Energy—OE. The OE staff have participated in every aspect of regulatory activities related to the oxygenated fuels and reformulated gasoline programs mandated by the Clean Air Act Amendments of 1990. OE staff have provided comments to the Environmental Protection Agency on proposed relations for the reformulated gasoline program on three occasions. Most recently, OE drafted USDA's comments on the proposed renewable oxygenate requirement. These comments were accompanied by an analysis of the ethanol market, energy requirements for ethanol production, and greenhouse gas emissions from using ethanol. OE and ERS staff have also worked together on developing the "complex model" for reformulated gasoline certification recently finalized by EPA. In addition, OE and ERS staff have cooperated on the analysis of several energy tax proposals including the ethanol prorate tax proposal contained in the Energy Policy Act of 1992, the Administration's BTU tax proposal, and the proposed increase in the inland waterway users fee. OE staff also provided analysis and comments on proposed regulations by the Department of Transportation that would have classified vegetable oils as hazardous materials. That proposal was subsequently withdrawn and repropoed. Moreover, OE coordinates economic analysis and scientific evaluation of energy-related issues within USDA and with EPA, the Department of Energy, the ethanol industry, and agricultural groups.

#### FOOD STAMP DELIVERY

Mr. DURBIN. What are the results of research being done measuring the changes in participation levels when food stamps benefits are delivered through coupons, in cash, or electronically?

RESPONSE. ERS has focused research efforts on estimating the effects of alternative delivery systems on household food expenditures, but not on participation levels. Most recent results show that stamps increase food spending more than cash, but not as much as previously thought.

#### RURAL DEVELOPMENT STRATEGY RESEARCH

Mr. DURBIN. Describe in further detail the joint effort you have with the Rural Development Administration and the Aspen Institute, to develop a rural development strategy research agenda. What is the status of this effort?

RESPONSE. In April 1992, several representatives of ERS, the Rural Development Administration, and the Aspen Institute began meeting periodically on an ad hoc



basis to coordinate rural development strategy research efforts. An initial goal of this group was to develop a coordinated research agenda that would encompass the major research topics facing rural development practitioners. While that proved to be too ambitious a goal, the group agreed upon a framework for evaluating research on rural development strategies and began addressing the critical issue of getting more policy-relevant research into the hands of rural development practitioners by improving the communication links between the research and the practitioner communities.

In December 1993, the coordinating committee began working with several members of the National Rural Studies Committee to improve communication between researchers and practitioners. The National Rural Studies Committee is funded by the W.K. Kellogg Foundation to study ways institutions of higher education might better serve rural communities. The hope is that through the combined efforts of these two committees, a new professional organization can be formed to support reliable multi-disciplinary rural research and scholarship, inform rural development practice, and strengthen the link between policy development and research. If successful, this new organization will make existing professional organizations more effective. Currently, efforts are underway to organize an initial national symposium, which is likely to be held in 1995.

#### DATA PURCHASES

Mr. DURBIN. Provide a five year table showing the amount spent to purchase data, including an estimate for fiscal year 1994.

RESPONSE. The information follows:

Fiscal year:	Thousand dollars
1989 .....	\$3,527
1990 .....	4,806
1991 .....	5,960
1992 .....	5,453
1993 .....	6,237
1994 (estimate) .....	3,085

#### AGRICULTURAL AND RURAL CONDITIONS INDICATORS

Mr. DURBIN. Your agency develops a series of indicators depicting agricultural and rural conditions. For the record, please provide a list of all indicators that are mandated by law, as well as those that are not.

[The information follows:]

*Farm Financial Indicators*—Farm financial indicators for which ERS has a specific legal mandate include estimates of enterprise costs and returns for wheat, feed grains, cotton, sugar crops, tobacco, peanuts, and dairy.

Financial management indicators development as a result of language included in Budget Explanatory Notes providing justification for budget appropriations include the following:

Financial structure and sources of financing for farm production.

Nonfarm sources of income for farm operators.

Use of contracts for producing and marketing farm commodities.

Farm inventories and use of farm produced products on farms.

Production of capital goods and other unsold output on farms.

Other business activities on farms.

In the 1950's, an agreement was reached among the Office of Management and Budget, the Department of Commerce, and the U.S. Department of Agriculture on USDA's provision of net farm income estimates for use by Commerce in developing estimates of Gross Domestic Product. National and State estimates and quarterly forecasts of net farm income are developed as a result of this administrative memorandum of understanding.

Other farm financial indicators prepared by ERS include:

Cost and return estimates for nonmandated commodities such as soybeans and livestock.

Farm business balance sheets and financial ratios.

Operator and unpaid labor hours of work at farm and nonfarm jobs.

Estimates of debt repayment ability for farm businesses.

Estimates of the number, type, and location of farms encountering financial stress.

*Rural Conditions*—ERS develops indicators of rural conditions in two ways. We develop classifications of metro and nonmetro counties that provide a basis for analysis of differences in socioeconomic characteristics among types of areas. We also ob-

tain data on rural areas at various levels of geography and time intervals that allow us to report on the social and economic characteristics of rural areas.

Our major classifications of nonmetro counties are:

Rural-urban continuum codes (Beale codes)—classify metro counties into 4 groups [core counties that contain the central cities of metro areas of 1 million or more residents, fringe counties that are the other counties in large metro areas, counties in medium metro areas with 250,000–999,999 residents, and counties in small metro area with 50,000–249,999 residents] and nonmetro counties into 6 groups [counties with 20,000 or more urban residents, counties with 2,500–999 urban residents, and counties with fewer than 2,500 urban residents by whether or not they are adjacent to a metro area].

County typology codes—identify counties that depend on farming, mining, manufacturing, government, or the service sector for a large share of earnings and counties that have persistently high poverty rates, are retirement destinations, receive a large share of income from transfer payments, or have a high share of workers commuting outside the county to work.

Level of urbanization codes—a hybrid classification related to the rural-urban continuum that classifies metro counties into 2 groups [large (1 million or more residents) and small] and nonmetro counties into 4 groups [adjacent to large or small metro areas and nonadjacent with or without a city of 10,000 or more residents].

No rural indicators are mandated by law. The social and economic indicators we follow include:

- Population change.
- Family structure.
- Age distribution.
- Race and ethnicity.
- Educational attainment.
- Labor force participation.
- Employment.
- Unemployment.
- Industrial structure farming.
- Agriculture-related industries.
- Mining.
- Manufacturing by detailed industry.
- Construction.
- Trade.
- Services by industry.
- Government.
- Earnings per job.
- Household, family, and per capita income.
- Poor families and persons.
- Health insurance coverage.
- Housing vacancies.
- Homeownership.
- Access to complete plumbing.
- Local government expenditures.
- Federal funds expended in rural areas.

#### FOREIGN OWNERSHIP OF U.S. LAND

Mr. DURBIN. How much U.S. agricultural land is under foreign ownership?

RESPONSE. As of December 31, 1993, 14,654,460 acres of U.S. farm and forest agricultural land were foreign owned. This is slightly more than 1 percent of the 1.3 billion acres of privately owned U.S. agricultural land.

#### WORLD AGRICULTURE REPORT

Mr. DURBIN. You will be publishing a new report this year which will focus on the major forces shaping world agriculture and the long range implications this will have on U.S. agricultural trade. When can we expect this report?

RESPONSE. The current target for the publication is October 1, 1994.

## Biography of Kenneth L. Deavers

Mr. Deavers is Acting Administrator, Economic Research Service, U.S. Department of Agriculture (USDA). He has more than twenty years experience directing policy research on rural economic and community development issues. As director of planning for the Economic Development Administration, he was a participant in early Federal efforts to assist States and localities plan strategically for their future development. For the past ten years Mr. Deavers has been involved in international rural development analysis, and is the principal architect of a new rural development policy program being undertaken by the Organization for Economic Cooperation and Development in Paris. Prior to joining the government, Mr. Deavers worked in the private contract research business. His research was concentrated on manpower and training policy, urban and rural development, and economic disadvantage. He has published widely on rural poverty issues. Mr. Deavers began his career at the RAND Corporation.

Mr. Deavers has a B.S. in business administration from the University of California-Los Angeles and an M.A. in economics from the University of Chicago.

## BRUCE L. GREENSHIELDS

Mr. Greenshields has been employed by the Economic Research Service since 1967, after having served in the U.S. Peace Corps in Brazil during 1964-66. He was on military leave from ERS during 1968-71, capping that service as an infantry first lieutenant in Korea. Mr. Greenshields' first position in ERS was economics assistant. Later he was appointed to an economist position in the Foreign Regional Analysis Division and then in the Foreign Demand and Competition Division. He joined the agency's Program Evaluation and Development Staff in 1978 and became assistant administrator in 1981. He was selected to be ERS's deputy administrator and a member of the Senior Executive Service in 1992.

Mr. Greenshields, a native of the District of Columbia, has a B.A. in political science and an M.A. in economics from American University. He is currently editor of *Agricultural Economics*, the journal of the International Association of Agricultural Economists, and a member of the board of the Council on Food, Agricultural and Resource Economics.



## **ECONOMIC RESEARCH SERVICE**

**Statement of Kenneth L. Deavers, Acting Administrator, before the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.**

Mr. Chairman and members of the Committee, I am pleased to appear before you to discuss the proposed fiscal year 1995 budget for the Economic Research Service.

### **Mission**

The Economic Research Service exists to provide economic and other social science information and analysis for public and private decisions on agriculture, food, natural resources, and rural America. ERS is an organization of highly motivated people committed to objectivity, timeliness, and excellence in all we do to provide the best information to decisionmakers.

### **Budget**

Fiscal Year 1994. The appropriation to ERS in fiscal year 1994 is \$55.2 million, down 6 percent from fiscal year 1993. We are managing that cut without a reduction in force. But to do so, we are taking major cuts in accounts where we have the short-term flexibility—such as data collection and cooperative research

projects with State universities—until attrition catches up with the staffing level implied by a \$55-million program level. We have had a hiring freeze in effect since we testified before this Committee last year, and we released all temporary employees near the end of fiscal year 1993.

Fiscal Year 1995. Our request for fiscal year 1995 is \$53.7 million, down 3 percent from our fiscal year 1994 appropriation. The cut is for the salaries and expenses associated with an additional reduction in staffing, from 762 in fiscal year 1994 to 731 in fiscal year 1995. The cut is in support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment. To achieve this cut, we will continue to have a hiring freeze and hope for attrition to avoid a reduction in force. We hope to be able to offer early outs and buy outs as incentives for staff to retire or resign. The program effect of this budget cut and staff reduction will be to further narrow the scope of issues on which we can provide economic intelligence. We will have less expertise and maintain fewer economic and social indicators and data bases in all subject-matter areas for which USDA has sole or significant responsibilities. Of course, we will attempt to eliminate lower priority programs and focus our resources on the highest priority programs of the Department's new mission areas under the Secretary's reorganization plan: better service for farmers; making rural development a priority; elevating food, nutrition, and consumer services; emphasizing conservation programs; and ensuring food quality and safety.

However, it is unclear to me at this time that we will be able to do as much as might be expected in all of these areas.

Let me discuss for a minute what we are doing now and some of our plans for fiscal year 1995 in these areas.

### **Better Service for Farmers**

The Economic Research Service is the American farmer's main source of economic information and analysis from USDA. ERS data and analysis of economic conditions, domestic and foreign market prospects, and farm income and financial conditions flow to farmers, agribusiness, and the public through about 20 different outlook publications. These publications range from popular periodicals, such as *Agricultural Outlook*, and to regular outlook reports on major commodities, major foreign competitor regions, and specialized topics important to farm operators, such as farm income and finance. Each member of this Committee receives a complimentary subscription to these reports.

The material from these outlook publications is widely used by the Extension Service, news services, the farm press, private advisory services, and other organizations serving farmers. These users either reprint the material or interpret its relevance to local conditions and specific farm decisions. Thus ERS is a major "wholesaler" of information and analysis to the food, farming, and rural constituencies of USDA. Some farmers also subscribe directly to outlook publications. *Agricultural Outlook* currently has about 2,000 subscribers. Outlook

reports for major commodities have about 1,000 subscribers for each serial. The ERS outlook reports attempt to explain the major economic factors influencing departmental estimates, present basic industry information and analysis, and pull together data in a consistent and comparable form from many sources.

Sales of a significant share of U.S. farm production depend on competing successfully in international markets. And these are times of major change for international markets—e.g., NAFTA and GATT. The focus of our international market and country analysis is to understand how major foreign economic and political events are likely to affect U.S. agricultural trade in the next several years, thereby positioning U.S. agricultural firms to make better longer run investment decisions. For example, we are examining the market and trade implications of: the political and economic restructuring taking place in the former Soviet Union and Eastern Europe; revisions in the European Union's farm policies; the rapid economic growth in China; and the shift to market economies by many developing countries. We also are evaluating the trade implications of food safety and environmental policies in other countries, which could emerge as significant nontariff barriers to expanded trade. The combined effect of these events is reshaping world agricultural markets.

ERS also assesses the longer run food aid needs of poor countries. This assessment helps the Federal Government budget for future shipments of U.S. grains and other food to needy countries. Food aid provided by the United States to meet needs around the world also expands the demand for U.S. farm products.



Results of our analyses are summarized in a series of annual reports that cover major regions of the world, including a report on food aid needs. This year we are also launching a new annual report that will focus on the major forces shaping world agriculture and their longer run implications for U.S. agricultural trade.

Since the passage of the Food and Agriculture Act of 1977, Congress has requested that USDA prepare annual estimates of cost of producing commodities covered by Federal price support programs. ERS has the responsibility for producing these estimates and has based its estimates on information obtained from the USDA Farm Costs and Returns Survey. As I have already mentioned, budget realities have affected the availability of funds to conduct the FCRS. We had to make some adjustments in our survey schedules and coverage in order to ensure statistically reliable data. We will continue to produce cost-of-production estimates for the commodities you have mandated, but we will have to reduce the extent of survey coverage. This means that regional cost-of-production data will be limited.

ERS has responded to the Secretary's request that we publish information on the level and sources of income of farm operator households. This information is published each month in Table 30 of the statistical indicators section of *Agricultural Outlook*. The data are obtained from the annual FCRS. There is a general tendency to focus on the average farm operator household income. However, enormous differences exist by type and size of farm and location. ERS is

developing information about the distribution of income among farm operator households to make the income data more useful.

Because situation and outlook information is most useful when it is timely, ERS continues to improve rapid delivery of such information by using new and emerging technologies for cost-effective user access to ERS information resources. Our electronic data products program, for example, has offered data bases on personal computer diskettes since 1986, but now offers the same data on a CD-ROM and on the worldwide Internet. Through the Internet, many extension agents around the country and over 15 million other users, including an increasing number of farmers, have free desktop access to 7,000 ERS data files and, soon, to outlook reports. For users with fax machines, ERS provides an autofax system for 24-hour access to fact sheets, outlook summaries, and similar documents.

### **Making Rural Development a Priority**

The future well-being of rural people depends on how well the rural economy performs in the increasingly competitive national and international markets. ERS rural development research involves analysis of industrial composition, occupational structure, labor markets, and regional diversity of the rural economy to gain a better understanding of the transformations that are occurring in the rural economy in response to changing market conditions. ERS analysis in this area includes examination of the internal and external factors that influence the performance of the rural economy. Drawing on and complementing

this research is an assessment of a range of potential strategies to promote rural development and the institutional issues associated with carrying out rural development activities at the State and local level. An important component of this research on the rural economy focuses on the relationship between the rural and national economy that facilitates a better understanding of the implications of changes in national economic conditions and policies on rural areas.

ERS provides its research findings directly to policy officials and program managers through a variety of reports and publications. Our biannual publication, *Rural Conditions and Trends*, provides policy officials and rural practitioners with our synthesis of rural economic trends, including information on employment, unemployment, earnings, income, and poverty. *Rural Development Perspectives* presents the results of research on various aspects of rural life that are important to consider in formulating rural policies and programs. These two periodicals have a combined paid subscription list of about 1,300. This year, ERS will publish its recently updated classification system for rural counties. These updated classifications will reflect the reality of the rural economic environment of the 1990's and provide policy-relevant information about the changing socioeconomic characteristics of rural America to policymakers and public officials. Our pioneering work in this area has highlighted the critical importance of manufacturing to future success of the rural economy

Tighter Federal budgets and changing spending priorities have altered the flow of Federal funds to rural America. ERS will be documenting these changes in

Federal spending patterns in order to assess their cumulative impacts on rural areas. Credit programs have long been the mainstay of USDA rural development assistance. The Administration's new credit initiatives rely primarily on loan guarantee programs, revolving loan funds, and community development institutions. To assist the Department's policy officials in implementing these initiatives, ERS is assessing the overall adequacy of rural financial markets. ERS is also studying the effectiveness of these initiatives in serving the credit needs of rural communities.

USDA is changing its approach to providing rural development assistance, recognizing that different circumstances in various rural areas require a variety of approaches to development. USDA, through the National Rural Development Partnership, is forging coalitions composed of Federal, State, and local community leaders in both the public and private sectors to address local rural problems. ERS is participating with other Federal agencies by helping to establish State Rural Development Councils, provide research information relevant to council activities, and to help the State councils develop their own research and information networks.

### **Elevating Food, Nutrition, and Consumer Services**

ERS has had a food analysis program for several decades. That program monitors food availabilities, based on commodity supply and use information, and estimates demand for food by different income and demographic groups. In



addition, the program has analyzed the food processing industries. In the food assistance area, the program has regularly provided cost estimates for food assistance programs. In the food safety area, ERS has had a project estimating the cost of foodborne illnesses for some time. A periodical, *Food Review*, as well as monographs, report the results of all areas of this research. An annual publication, *Food, Consumption, Prices, and Expenditures*, reports trends in per capita consumption of basic food categories and related data. Other regular publications, the *Food Cost Review* and the *Food Marketing Review*, report on marketing margins and the food processing and marketing industries.

In the past several years, ERS has expanded its food-related work into nutrition education evaluation. Mainly, ERS nutrition-education-related analysis supports departmental decisionmaking on programs and policies. For example, working in cooperation with other USDA research and program agencies, ERS is assisting in developing sound and consistent evaluation techniques for assessing progress in improving the diets of individuals at nutritional risk. In related research, ERS analyzes trends in food production and consumption as well as the factors influencing the supply of and demand for raw and processed foods.

ERS is expanding its economic research on factors affecting household and individual food choice and diet quality. This research is geared to support improved analysis and evaluation of USDA food assistance and nutrition education programs. ERS is also expanding its work on food assistance and food safety, while continuing the basic demand and supply work. In food safety, the

agency has collaborated with USDA's Food Safety and Inspection Service and the Office of Management and Budget on estimating the economic effect of a number of proposed regulations. The agency has just initiated a project designed to combine available economic information on meat and poultry products in a form that will highlight the interaction of industry structure and regulation.

In food assistance, the agency has been collaborating with staff of USDA's Food and Nutrition Service on several projects.

### **Emphasizing Conservation Programs**

The central theme of ERS research on conservation is to understand the interrelationships between agriculture and the environment. The core program includes: agricultural productivity; the use and value of land and water resources; the supply of and demand for agricultural chemicals, machinery, and energy; the economics of soil, water, and resource conservation; technology research, development, and diffusion; and environmental valuation and risk assessment. This program of data and indicator development, models and techniques, and program knowledge allows ERS to respond to scores of resource and environmental policy issues, such as assessing the impacts of droughts and floods and analyzing the effects of the Endangered Species Act.

To better serve the public with this program, ERS is publishing a new annual report, *Agricultural Resources and Environmental Indicators*, which consolidates what were formerly four agricultural resources situation and outlook

reports. The new consolidated report will monitor trends in land and water use and valuation; monitor use of fertilizers, pesticides, and machinery; report on the condition of natural resources used in the sector; and describe and assess public policies that affect conservation and environmental quality in agriculture. The new report will stress the economic component of agricultural inputs and natural resources and the role of economics in the development and adoption of alternative production practices and in evaluating alternative policy approaches to conservation.

### **Ensuring Food Quality and Safety**

As national concern about the safety and nutritional value of its food has grown, ERS has devoted more of its research resources to gaining a better understanding of the economic aspects of food safety and nutrition issues. ERS's research in the food safety area is focused on understanding how food production and handling practices can be altered to reduce chemical and microbial contamination and the effects of foodborne risks on food prices. The research program is designed to better understand the economic tradeoffs facing producers, processors, consumers, and regulators. Complementary research is enhancing the Department's foodborne risk assessment and risk management capabilities for both microbial and chemical contaminants. Analysis of alternative food safety public policy options and their costs include the study of how food safety

information is developed and disseminated and the study of market, legal, and regulatory incentives for food safety information.

### **Closing Remarks**

I appreciate the support that this Committee has given ERS in the past and look forward to continue working with you and your staffs to ensure that ERS is addressing the highest priority issues and making the best possible use of the resources entrusted to it, through you, by the American taxpayer.

Thank you. I will be happy to respond to your questions.



## ECONOMIC RESEARCH SERVICE

Purpose Statement

The Economic Research Service (ERS), was established in 1961 principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627).

ERS's mission is to provide economic and other social science information and analysis for improving the performance of agriculture and rural America.

ERS produces such information as a service to the general public and to help Congress and the administration develop, administer, and evaluate agricultural and rural policies and programs. ERS monitors, analyzes, and forecasts U.S. and world agricultural production and demand for production resources, agricultural commodities, and food and fiber products. ERS also measures the costs of and returns to agricultural production and marketing; evaluates the economic performance of U.S. agricultural production and marketing; and estimates the effects of government policies and programs on farmers, rural residents and communities, natural resources, and the public. In addition, ERS produces economic and other social science information about the organization and institutions of the U.S. and world agricultural production and marketing systems, natural resources, and rural communities.

ERS-produced information is made available to the public through research monographs, situation and outlook reports, standardized data products in electronic media, professional and trade journals (including The Journal of Agricultural Economics Research), magazines (including Agricultural Outlook, Food Review, Rural Conditions and Trends, and Rural Development Perspectives), radio, television, newspapers, and frequent participation of ERS staff at various public forums.

ERS has four program divisions--Commodity Economics, Agriculture and Trade Analysis, Resources and Technology, and Agriculture and Rural Economy--that carry out the four principal functions of ERS: research, situation and outlook analysis, staff analysis, and development of economic and statistical indicators. Research and economic and statistical indicators provide the knowledge base and the data base for the situation and outlook and staff analysis functions. The products of the situation and outlook analysis function are periodic reports that analyze the current situation and forecast the short-term outlook for major agricultural commodities, agricultural exports, agricultural finance, agricultural resources, and world agriculture. Staff analysis entails assessments of issues requiring policy decisions by the administration and Congress.

ERS is located in Washington, D.C. As of September 30, 1993, ERS had 737 permanent, full-time employees and 33 part-time employees.

ECONOMIC RESEARCH SERVICEAvailable Funds and Staff-Years1993 Actual and Estimated, 1994 and 1995

Item	1993		1994		1995	
	Actual	Staff-	Estimated	Staff-	Estimated	Staff-
	Amount	Years	Amount	Years	Amount	Years
Economic Research Service .....	\$58,925,000	761	\$55,205,000	719	\$53,654,000	697
<u>Obligations under</u>						
<u>Other USDA</u>						
<u>appropriations:</u>						
Agricultural Market-						
ing Service .....	197,704	2	200,000	2	--	--
Animal and Plant						
Health Inspection						
Service .....	51,044	--	45,000	--	--	--
Agricultural Research:						
Service .....	34,372	--	9,500	--	9,500	--
Agricultural Coopera-						
tive Service .....	10,000	--	--	--	--	--
Alternative Agricul-						
tural Research and						
Commercialization						
Center .....	70,662	--	50,000	--	--	--
Cooperative State						
Research Service ...	654,206	2	400,000	1	400,000	1
Economic Analysis						
Staff .....	6,000	--	--	--	--	--
Extension Service ...	14,172	--	9,500	--	9,500	--
Farmers Home Adminis-						
tration .....	25,000	--	35,000	--	--	--
Federal Crop Insur-						
ance Corporation ...	1,475,000	--	--	--	--	--
Foreign Agricultural						
Service .....	355,500	1	300,000	1	--	--
Forest Service .....	147,168	1	--	--	--	--
National Agricultural						
Statistics Service ..	15,000	--	13,000	--	13,000	--
Office of Advocacy						
and Enterprise .....	16,800	--	--	--	--	--
Rural Development						
Administration .....	4,431,550	--	2,000,000	--	2,000,000	--
Soil Conservation						
Service .....	21,272	--	9,500	--	9,500	--
World Agriculture and						
Outlook Board .....	6,000	--	--	--	--	--
Total, Other USDA						
Appropriations .....	7,531,450	6	3,071,500	4	2,441,500	1
Total, Agriculture						
Appropriations .....	66,456,450	767	58,276,500	723	56,095,500	698
<u>Other Federal Funds:</u>						
Congressional Budget						
Office .....	6,104	--	67,000	1	--	--
Council of Economic						
Advisors .....	69,689	1	--	--	--	--

Item	1993		1994		1995	
	Actual		Estimated		Estimated	
	Amount	Staff- Years	Amount	Staff- Years	Amount	Staff- Years
Department of Defense	25,500	--	24,000	--	--	--
Department of Education	60,000	--	--	--	--	--
Department of Energy	50,000	--	50,000	--	--	--
Environmental Protection Agency	20,000	--	20,000	--	--	--
Office of International Cooperation and Development	1,953,514	22	2,400,500	34	2,000,000	29
Total, Other Federal Funds	2,184,807	23	2,561,500	35	2,000,000	29
<b>Non-Federal Funds:</b>						
User Fees	354,338	1	389,000	1	379,000	1
Iowa State University	10,500	--	--	--	--	--
Massachusetts Institute of Technology	106,021	1	--	--	--	--
North Carolina State University	300,850	3	602,000	3	600,000	3
Texas A&M University	35,406	--	--	--	--	--
Total, Non-Federal Funds	807,115	5	991,000	4	979,000	4
Total, Economic Research Service	\$69,448,372	795	61,829,000	762	59,074,500	731

## ECONOMIC RESEARCH SERVICE

Permanent Positions by Grade and Staff-Year Summary1993 and Estimated 1994 and 1995

Grade	FY 1993 Headquarters	FY 1994 Headquarters	FY 1995 Headquarters
ES-6 .....	1	1	1
ES-5 .....	3	3	3
ES-4 .....	3	3	3
ES-2 .....	0	0	2
ES-1 .....	2	2	0
Senior Level .....	1	1	1
GS/GM-15 .....	62	60	57
GS/GM-14 .....	136	129	122
GS/GM-13 .....	212	216	211
GS-12 .....	117	115	107
GS-11 .....	38	42	37
GS-10 .....	3	2	2
GS-9 .....	33	33	30
GS-8 .....	35	37	37
GS-7 .....	51	43	43
GS-6 .....	41	41	41
GS-5 .....	28	25	25
GS-4 .....	4	4	4
GS-3 .....	6	6	6
GS-2 .....	1	1	1
Total Permanent Positions ...	777	764	733
Unfilled Positions end-of-year .....	28	15	--
Total, Permanent Employment, end-of-year .....	749	749	733
Staff-Year Ceiling.....	795	762	731



## ECONOMIC RESEARCH SERVICE

## CLASSIFICATION BY OBJECTS

1993 and Estimated 1994 and 1995

	<u>1993</u>	<u>1994</u>	<u>1995</u>
<b>Personnel Compensation:</b>			
Headquarters .....	37,288,781	37,337,000	36,919,000
Field .....	--	--	--
11 Total personnel compensation .....	37,288,781	37,337,000	36,919,000
12 Personnel benefits ....	7,285,676	7,396,000	7,384,000
13 Benefits for former personnel .....	<u>25,852</u>	<u>18,000</u>	<u>20,000</u>
Total Pers. Comp & Benefits .....	44,600,309	44,751,000	44,323,000
<b>Other Objects:</b>			
21 Travel .....	450,649	671,000	646,000
22 Transportation of things .....	51,051	28,000	27,000
23.3 Communications, utilities, and misc. charges .....	683,579	838,000	806,000
24 Printing and reproduction .....	396,192	446,000	429,000
25.2 Other services .....	3,498,267	3,639,000	2,635,000
25.3 Purchases of goods and services from Government accounts .....	5,672,000	2,570,000	2,570,000
25.5 Research and development contracts .....	1,709,000	1,100,000	1,100,000
26 Supplies and materials .....	829,138	606,000	583,000
31 Equipment .....	<u>962,093</u>	<u>556,000</u>	<u>535,000</u>
Total other objects .....	<u>14,251,969</u>	<u>10,454,000</u>	<u>9,331,000</u>
Total direct obligations .....	<u>58,852,278</u>	<u>55,205,000</u>	<u>53,654,000</u>

**Position Data:**

Average Salary, ES positions .....	\$106,789	\$110,354	\$112,120
Average Salary, GM/GS positions .....	\$48,850	\$50,759	\$51,571
Average Grade, GM/GS positions .....	11.5	11.5	11.5

## ECONOMIC RESEARCH SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

For necessary expenses of the Economic Research Service in conducting economic research and service relating to agricultural production, marketing, and distribution as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627), and other laws, including economics of marketing; analyses relating to farm prices, income and population, and demand for farm products, use of resources in agriculture, adjustments, costs and returns in farming, and farm finance; research relating to the economic and marketing aspects of farmer cooperatives; and for analysis of supply and demand for farm products in foreign countries and their effect on prospects for United States exports, progress in economic development and its relation to sales of farm products, assembly and analysis of agricultural trade statistics and analysis of international financial and monetary programs and policies as they affect the competitive position of United States farm products, [\$55,219,000] \$53,654,000: of which \$500,000 shall be available for investigation, determination and finding as to the effect upon the production of food and upon the agricultural economy of any proposed action affecting such subject matter pending before the Administrator of the Environmental Protection Agency for presentation, in the public interest, before said Administrator, other agencies or before the courts: *Provided*, That this appropriation shall be available to continue to gather statistics and conduct a special study on the price spread between the farmer and the consumer: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225): *Provided further*, That this appropriation shall be available for analysis of statistics and related facts on foreign production and full and complete information on methods used by other countries to move farm commodities in world trade on a competitive basis.

## ECONOMIC RESEARCH SERVICE

Appropriation Act, 1994 .....	\$55,219,000
Budget Request, 1995 .....	<u>53,654,000</u>
Decrease in Appropriation .....	<u>1,565,000</u>

## Adjustments in 1994:

Appropriations Act, 1994 .....	55,219,000	
Office of Advocacy & Enterprise Transfer.....	<u>-14,000</u>	
Adjusted base for 1994 .....		55,205,000
Budget Request, 1995 .....		<u>53,654,000</u>
Decrease from adjusted 1994 .....		<u>1,551,000</u>

a/ The transfer to the Office of Advocacy and Enterprise is for an EEO Specialist to provide EEO Counseling Services for the Economics agencies. On a comparable basis, the full annual cost for this activity is \$14,000 for 1994 and \$14,000 for 1995.

Summary of Increases and Decreases  
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Costs</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
Economic Analysis and Research .....	\$55,205,000	+\$466,000	-\$2,017,000	\$53,654,000

Project Statement  
(On basis of adjusted appropriation)

Project	1993		1994		Decrease	1995	
	Actual	Staff-	Estimated	Staff-		Estimated	Staff-
	Amount	Years	Amount	Years		Amount	Years
Economic Analysis and Research .....	\$58,852,278	761	\$55,205,000	719	(1):	\$53,654,000	697
Unobligated Balance lapsing..	72,722	--	--	--	--	--	--
Total available or estimate .....	58,925,000	761	55,205,000	719	-1,551,000	53,654,000	697
Transfer from Secretary's Office .....	-205,000	-2	- -	- -			
Transfer to Office of Advocacy and Enterprise ...	- -	- -	+14,000	- -			
Total, Appropriation :	58,720,000	759	55,219,000	719			

Note: Under the Secretary's proposed reorganization plan beginning in 1995, 4 staff-years and \$340,000 for the Economic Analysis Staff will be moved to Executive Operations.

#### EXPLANATION OF PROGRAM

The appropriation for the Economic Research Service funds the following activity:

--Economic analysis and research--This activity includes research, situation and outlook analysis, staff analysis, and development of economic and statistical indicators in the four major program areas--commodity economics, agriculture and trade analysis, resources and technology, and agriculture and rural economy.

#### JUSTIFICATION OF INCREASES AND DECREASES

(1) A decrease of \$1,551,000 for economic analysis and research consisting of:

- (a) An increase of \$466,000 for the proposed January 1995 1.6-percent pay raise.
- (b) An increase of \$227,000 which reflects a projected 2.6-percent increase in nonsalary costs.

Need for Change. These funds are needed to cover basic non-controllable costs to avoid a Reduction in Force while streamlining the agency.

Nature Of Change. This increase will be used to maintain a current level of services associated with inflation, which will affect critical parts of our program.

- (c) A decrease of \$2,244,000 as a result of a 31-staff year reduction in employment.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, ERS is reducing employment from the FY 1993 base by 8 percent in 1995 and by 10 percent during FY 1994-98. ERS will refocus its programs on the Department's mission areas under the Secretary's reorganization plan.

Nature of Change. ERS proposes to reduce its employment ceiling from 762 staff-years in FY 1994 to 731 staff-years in FY 1995 and 682 staff-years in FY 1998.



**ECONOMIC RESEARCH SERVICE**  
**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS**  
 1993 and Estimated 1994 and 1995

	1993		1994		1995	
	Amount	Staff-Years	Amount	Staff-Years	Amount	Staff-Years
Alabama .....	10,000	--	5,000	--	--	--
Arkansas .....	26,355	--	6,000	--	--	--
California .....	220,329	--	202,000	--	--	--
Colorado .....	109,178	--	50,000	--	--	--
Connecticut .....	39,807	--	30,000	--	--	--
District of Columbia .....	57,024,048	761	53,950,000	719	52,554,000	697
Florida .....	135,300	--	86,000	--	--	--
Georgia .....	27,400	--	--	--	--	--
Idaho .....	24,325	--	--	--	--	--
Illinois .....	132,000	--	30,000	--	--	--
Indiana .....	79,650	--	90,000	--	--	--
Iowa .....	54,000	--	50,000	--	--	--
Kansas .....	29,378	--	--	--	--	--
Kentucky .....	33,997	--	234,000	--	--	--
Louisiana .....	22,000	--	72,000	--	--	--
Maryland .....	15,000	--	50,000	--	--	--
Massachusetts .....	32,362	--	10,000	--	--	--
Michigan .....	20,000	--	15,000	--	--	--
Minnesota .....	92,894	--	50,000	--	--	--
Missouri .....	60,645	--	25,000	--	--	--
Montana .....	70,000	--	--	--	--	--
Nebraska .....	12,000	--	--	--	--	--
New York .....	18,500	--	35,000	--	--	--
New Mexico .....	26,000	--	--	--	--	--
North Carolina .....	15,000	--	50,000	--	--	--
Ohio .....	275,580	--	30,000	--	--	--
Oregon .....	23,376	--	--	--	--	--
Pennsylvania .....	10,000	--	30,000	--	--	--
South Carolina .....	25,000	--	10,000	--	--	--
Tennessee .....	6,930	--	20,000	--	--	--
Texas .....	89,642	--	50,000	--	--	--
Virginia .....	43,582	--	--	--	--	--
Wisconsin .....	48,000	--	25,000	--	--	--
Undetermined .....	--	--	--	--	1,100,000	--
Subtotal, Available for Estimate .....	58,852,278	761	55,205,000	719	53,654,000	697
Unobligated balance .....	72,722	--	--	--	--	--
Total, Available for Estimate .....	<u>58,925,000</u>	<u>761</u>	<u>55,205,000</u>	<u>719</u>	<u>53,654,000</u>	<u>697</u>

## ECONOMIC RESEARCH SERVICE

## STATUS OF PROGRAM

The Economic Research Service (ERS) performs work under one appropriation item—economic analysis and research. Current activities and selected examples of recent progress are described briefly below.

## ECONOMIC ANALYSIS AND RESEARCH

Current Activities: ERS carries out its economic analysis and research in four program divisions, whose programs and plans for 1994 are highlighted below.

1. The Agriculture and Rural Economy Division (ARED) conducts a national program of research and analysis on agricultural and rural conditions and trends and identifies and evaluates public and private sector actions and policies that affect the agricultural sector and rural areas. ARED's agenda is shaped by the changing economic and demographic structures of agriculture and rural America. Its program covers the interconnectedness of agriculture, the rural economy, and the national economy; comparisons of performance between urban and rural economies; the financial performance of the farm sector and its components; the effects of international economic and financial integration on the rural economy; migration and population change; the industrial transformation of the rural economy; changes in rural and agricultural labor markets and labor conditions; and the implications of the evolving structures of farming, credit, and financial markets for rural people, businesses, communities, and institutions.

In 1994, in cooperation with counterparts in Canada, ARED will compare the structure of farming in the United States and Canada in order to better understand the potential implications of trade reform on two relatively similar countries that could experience freer trade policies in the future. This analysis will complement ongoing research to characterize the U.S. farm structure and its relationship to national and regional economies that is published annually in the *Status of the Family Farm* report. Hired farm workers, a disadvantaged group, continue to be critically important to some segments of U.S. farming and the focus of public policy. ARED will publish research on the socioeconomic characteristics and earnings of hired farm workers, including an assessment of the effects of changing labor policies on the supply, demand, and well-being of hired workers. ARED will use the Farm Costs and Returns Survey to continue research on the financial structure and performance of farm businesses with special emphasis on the importance of farm structural, managerial, agronomic, and other factors that influence commodity and firm costs and returns. Supplementing this research will be an analysis of the level and distribution of farm household incomes and how household incomes vary among farming regions of the United States. In an era of overall reductions in Federal spending, reductions in ARED's survey funds has reduced the number of farmers who can be interviewed for USDA farm financial surveys. ARED will examine the impact of smaller samples on the statistical reliability of regional and State level farm financial data. ARED will explore the effects of international trade on the workings of the national economy, how the effects are transmitted to the rural and farm sectors, and the effects on individual sectors of the U.S. food and

fiber system. Manufacturing and/or natural resources are the economic base of most rural areas, and heightened international competition and new technologies are changing the structure of U.S. manufacturing and natural resource industries. ARED will investigate the participation of rural areas in these changes and the effectiveness of such strategies as industrial extension to make rural businesses more innovative. Because the importance of natural resources to rural economies is shifting from resource exploitation to amenity value, ARED will begin a project to examine this shift and what it means for the rural workforce. The socioeconomic geography of rural America is clearly changing. ARED will document changes over the 1980-90 decade in a published report examining trends in rural families, jobs, and income according to regional location, remoteness from major urban centers, and the nature of the local rural economy. Recently available, but limited, data for the early 1990's will allow ARED to expand this analysis to include the early years of this decade. ARED will publish its recently updated rural county typologies, which provide a framework for understanding the spatial implications for public policy of the changing socioeconomic characteristics of rural America. ARED will document changes in Federal spending in rural areas during the 1980's, a period when Federal budget constraints and changing priorities led to a decline in many Federal programs. ARED will continue to analyze the effectiveness of various public strategies to foster greater economic growth in rural communities. In particular, ARED will complete a study of federally capitalized revolving loan funds and small business investment companies to determine how effectively they serve rural communities. ARED will continue to work closely with USDA's rural development agencies, the State Rural Development Councils, and other organizations, to make its research findings and analysis useful to those involved in rural development. ARED will provide a historical perspective on several dimensions of the evolving agricultural sector and rural America and associated Federal policies and programs.

2. The Agriculture and Trade Analysis Division (ATAD) is a major source of expertise, data, and models about the agricultural economies and policies of foreign countries, and the agricultural trade and development relationships between foreign countries and the United States. The major mission of ATAD is to understand and quantify the forces shaping world economic events and analyze their impacts on trade and trade policy, domestic agricultural policy, and their ultimate impacts on both the health and viability of U.S. agriculture and on world food aid and development needs.

In 1994, ATAD will devote increased attention to longer run forces shaping world and U.S. agriculture. A new annual report, *Forces Affecting World Agriculture*, will provide a succinct synthesis of the longer run forces and their possible outcomes to help U.S. policymakers, producers, and consumers make better decisions. A newly expanded series of six annual *International Agriculture and Trade Reports* cover Africa and the Middle East, Asia and Pacific Rim, China, Europe, Former USSR, and Western Hemisphere, and is supplemented by the *Food Aid Needs Report*. These reports will supplement their short-term outlook with longer term perspectives on implications of developments in the regions for world trade and development. ATAD analysts will also provide current analysis and forecasts to underpin USDA's monthly publication of *World Agricultural Supply and Demand Estimates* and quarterly forecasts of U.S. agricultural exports. The expansion and modification of regional forecasting and policy analysis models and their



integration into a world trade model will underpin ATAD's long-range forecasts and scenarios of world agricultural trade. Special research projects will focus on specific issues with long-run implications for world agriculture such as foreign environmental policies and problems, the growth of trade in high-valued and processed products, and the success or failure of GATT negotiations and regional trade agreements.

3. The Commodity Economics Division's (CED) program of analysis and commodity market intelligence improves public and private sector understanding of U.S. and world markets for agricultural commodities and their products. CED's analytical program focuses on three major areas in the commodity arena: commodity supply, demand, and price monitoring and forecasting; structure, conduct, and performance of the major national and international commodity markets; and national and international marketing of commodities from U.S. producers to domestic and foreign consumers and from foreign producers of imported commodities and products to U.S. consumers.

In 1994, CED will analyze and monitor commodity market developments and disseminate analytical results and projections through regular outlook reports, special reports as market developments warrant, yearbooks, presentations, and responses to public information requests. CED will continue research and analysis on: the structure, operation, and performance of major commodity markets and industries in alternative policy settings; investment and competition in the food marketing industries in the United States and abroad; and food safety, food assistance, and nutrition education. Special activities include: congressionally mandated studies of commodity policy and program issues; development and maintenance of data bases and models to improve analyses, forecasts, and projections; analytical support for trade negotiations and agreements; economic evaluations of crop insurance programs and options; and analytical support for development and debate of the 1995 farm bill. Activities supporting the farm bill deliberations include special analyses of the impact of prior government policies on program commodities and futures options and alternatives, and the effects of Federal programs on production and prices for commodities not covered by commodity programs. These analyses will provide historical perspectives as well as evaluations of future alternatives and options open to policymakers.

4. The Resources and Technology Division (RTD) produces economic research, staff analysis, and situation and outlook analyses on a broad range of resource, technology, and environmental policy issues. RTD measures changes in agricultural productivity, analyzes technological innovation and adoption, examines the economic impacts of biotechnology, and estimates the economic and environmental tradeoffs associated with alternative production systems designed to achieve water and land quality goals. The division provides analysis on agricultural chemical use, integrated pest management, consumer exposure to risk from food, consumer demand for risk reduction, and alternative production policies designed to reduce risk. RTD researches the demand for and supply of water, and studies the economic and environmental benefits and costs associated with policies affecting the supply of water. Research is also directed at determining the value of land resources and other capital assets in the agricultural sector.



In 1994, RTD will evaluate agricultural and environmental benefits and costs of farm policies, regulations, and the adoption of management practices designed to improve and maintain water quality; evaluate public policies affecting the supply of environmental services in agriculture, with an emphasis on agriculture's role in the conservation of biodiversity; examine the economic determinants of chemical use in agricultural production, including the role of nonchemical substitutes for pest control, and determine how agricultural chemical policies influence the welfare of consumers; evaluate the economic effects of alternative policies to reduce environmental and health risks; explain how commodity programs and conservation provisions of farm legislation affect the agricultural economy and the natural resource base; study the effectiveness of conservation compliance and environmental implications of the flexibility provisions of commodity programs; use geographic information systems techniques to perform aggregate-level analyses of public policies impacts on resource use; show how changes in global, environmental, technological, and demographic trends affect U.S. agriculture and U.S. agricultural resources; show how deforestation, soil quality, water availability, and species diversity affect global food production; conduct research on global climate change; and assess the impact of freer trade on environmental quality and the impact of environmental policy of trade flows.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below.

1. Provided technical support for trade agreements. ERS analysis was an integral part of USDA's NAFTA evaluation that assessed the costs and benefits of NAFTA for 31 commodities, the impacts on States and regions, and assessed environmental concerns and food safety. ERS contributed to a congressionally mandated report, *Agriculture in a North American Free Trade Agreement*, which gave Congress and the public a detailed explanation of NAFTA. ERS analysis showed that, if ratified, NAFTA could increase agricultural exports by \$2.6 billion and add over 58,000 jobs. ERS also provided analysis for the Office of the United States Trade Representative and USDA's Foreign Agricultural Service in support of GATT negotiations. Contributions included analysis of the proposed agreement (Dunkel text), quick turnaround analyses of technical questions raised by negotiators at Brussels, Geneva, and Tokyo, and evaluations of proposals (country lists) submitted by other GATT members.
2. Documented rural development problems in the 1980's. The 1980's were marked by reduced overall population growth, widespread population decline in America's heartland, and a slowdown in the nonmetro economy. Rural areas had a growing share of the nation's low-wage, low-skilled jobs. Low-wage service producing industries accounted for most of the nonmetro job growth. A general decline in real rural wages over the decade was evident. The ERS research shows that while farming and mining counties lost population and employment in the 1980's, rural retirement and recreation areas grew rapidly. ERS research also shows that overall nonmetro poverty rose after having fallen during the 1970's. Blacks continue to have the highest nonmetro poverty rate, 39.5 percent, a rate over three times higher than for Whites. Families headed by women, in which one-quarter of all nonmetro children now live, had a poverty rate of 50.7 percent.

3. Examined alternative environmental strategies. ERS analyzed alternative pollution-prevention strategies to attain the most cost-effective protection for consumers and producers. For example, ERS found that restricting chemical use in cotton production only in those areas most vulnerable to water quality problems achieved nearly the same reduction in water pollution risk as restricting chemical usage by all cotton farmers. ERS research also found that devising a tradable permit scheme to achieve water quality goals is difficult given the nonpoint nature of much agricultural water quality pollution. However, it may be possible to devise a trading scheme to reduce pollution in a watershed by allowing point pollution sources (such as sewer treatment plants) to fund programs to reduce nonpoint pollution sources (such as agriculture).
4. Linked pesticide management, farm characteristics, and food safety. ERS developed reliable State-level estimates of agricultural chemical use and collected input data linking chemical use with economic characteristics of U.S. farms. The data were used to coordinate Environmental Protection Agency and Food and Drug Administration activities and to help them meet their needs for risk assessments, tolerance setting, and focused residue sampling. ERS also worked with USDA's Agricultural Marketing Service to link pesticide residue sampling data with farm and marketing pesticide use data, enhancing the likely effectiveness of risk-reducing strategies.
5. Assessed rural development strategies. ERS examined several strategies to foster sustainable economic development in rural communities, including enterprise zones, telecommunications, retiree attraction, job training, casino gambling, and business incubator programs. Research indicates that each strategy can play a role in fostering rural economic growth and development in some communities, but that no one strategy is likely to be effective by itself. ERS research found that many rural enterprise zones are as effective, or even more effective, than urban enterprise zones in stimulating local business activity. ERS research on State-operated enterprise zones is being used to help implement Federal empowerment zone legislation.
6. Analysis countered Soviet starvation reports. ERS analysis of the food situation and commercial import capabilities in the 15 Republics of the Former Soviet Union (FSU) countered press reports of potential widespread starvation. As a result, discussion shifted to focus on needed reform in FSU institutions and legal structure. P.L.-480 food aid allocations and congressional deliberations on aid funding relied on ERS analysis.
7. Food price forecasts calmed consumer fears. ERS commodity analysis and food price forecasts provided a continual assessment of the probable effects of the Midwestern floods on commodity conditions and food prices. ERS appraisals indicated that food price effects would be minimal in contrast to media coverage which initially raised the specter of shortages and significant food price inflation. ERS analysis helped the Secretary of Agriculture allay consumer fears of food shortages and inflation.
8. Enhanced understanding of farm household income. ERS/NASS survey data showed, for 1992, farm operator households had an average income of \$4,300 from farming and \$35,700 from all other sources, a total income comparable to the incomes of other households in the Nation. Average total income for operator households on farms with sales of \$50,000 or more was

about \$46,000. At the same time, 22 percent of farm households reported total income below \$15,000, approximately the poverty threshold for a family of four.

9. Evaluated USDA programs. ERS analysis helped other USDA and government agencies design, operate, and evaluate programs and initiatives. Updated cost estimates associated with the leasing and use of Federal grazing and estimates of use levels under alternative conditions were provided to USDA's Forest Service and Interior's Bureau of Land Management. A finding from an ERS study on the costs and benefits of a proposal to provide cleaner grain for export markets was that the costs of cleaning all grain for export would exceed the benefits. ERS studied Federal crop insurance regulations and is managing a large-scale study of alternative crop insurance programs. ERS work on the costs of foodborne illness contributed to an economic impact analysis of potential Food Safety and Inspection Service regulations dealing with partially cooked meat patties and safe handling labels for meat and poultry products. ERS analysts integrated the foodborne illness cost information with the structure and performance of the food processing industry as a contribution to work associated with Hazard Analysis of Critical Control Points (HACCP).



THURSDAY, APRIL 14, 1994.

## WORLD AGRICULTURAL OUTLOOK BOARD

### WITNESSES

KEITH J. COLLINS, ACTING ASSISTANT SECRETARY FOR ECONOMICS,  
DEPARTMENT OF AGRICULTURE

GERALD A. BANGE, ACTING CHAIRPERSON, WORLD AGRICULTURAL  
OUTLOOK BOARD

NORTON D. STROMMEN, CHIEF METEOROLOGIST

THOMAS W. BICKERTON, REMOTE SENSING COORDINATOR

STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRICULTURE

Mr. DURBIN. The trade area is a good segue with the World Agricultural Outlook Board. I guess the question is what the new trade agreements have meant in terms of your activities, the NAFTA agreement and the anticipated GATT agreement. What has this led to in terms of the work that you are doing?

Mr. BANGE. Well, Mr. Chairman, we do not get directly involved in those but we do, through the expertise that we have on the board, provide analysis and whatever is requested by either Keith Collins' office or the Secretary's office.

The main analysis for this work is conducted through Keith Collins' office and the Economic Research Service, so we really do not get directly involved in that.

Mr. DURBIN. And with reorganization, where will you fit into the new scheme?

Mr. BANGE. Under the new scheme, we will report to the Chief Economist, if there is a Chief Economist, who would replace the Assistant Secretary for Economics. And, of course, the Chief Economist will report to the Office of the Secretary.

[CLERK'S NOTE.—The statement of Mr. Bange appears on pages 801 through 811. The Explanatory Notes appear on pages 812 through 822.]

[Additional questions and responses follow:]

### METEOROLOGICAL DATA BASE EXPANSION

Mr. DURBIN. Your budget proposal includes an increase of \$44,000 to expand your meteorological data base for emerging economies. You propose to achieve this expansion through cooperative agreements with academic institutions and international organizations. Is this different from the way you currently operate?

RESPONSE. It is significantly different. The World Agricultural Outlook Board meteorologists have, for the most part, acquired country-specific data and agronomic information from sources such as the Climate Analysis Center of the National Oceanic and Atmospheric Administration, and USDA's Foreign Agricultural Service, and Economic Research Service. Many emerging economies, however, are not adequately covered. Moreover, the Foreign Agricultural Service and the Economic Research Service are under severe budget pressure which limits the data these agencies can provide. This initiative proposes to tap existing and on-going research by academic institutions and international organizations as a cost-effective means supplementing present meteorological data sources.



## COOPERATIVE AGREEMENTS

Mr. DURBIN. Provide the Committee with a list of all existing cooperative agreements, including a brief explanation of the agreement, the length of the agreement, and its funding level.

RESPONSE. The World Agricultural Outlook Board has no existing cooperative agreements for FY 1994.

## FISCAL YEAR 1995 COOPERATIVE AGREEMENTS

Mr. DURBIN. Also, include any agreements you anticipate for fiscal year 1995.

RESPONSE. The World Agricultural Outlook Board requested \$44,000 in its fiscal year 1995 budget for the purpose of expanding its historical climatic and agronomic data bases for emerging economies. If funding for this initiative is appropriated, the Board may enter into a cooperative agreement with one or more universities or international organizations to acquire data. Alternatively, the Board may achieve part of this objective by entering into a cooperative agreement with the National Climate Data Center of the National Oceanic and Atmospheric Administration—NOAA. The NOAA Center administers the World Climate Data Center program which provides for enhanced exchange of international climate data.

## JOINT AGRICULTURAL WEATHER FACILITY

Mr. DURBIN. Specifically, the increase would allow you to enhance the Joint Agricultural Weather Facility's early warning system for monitoring the impact of weather as it affects the food situation and outlook in emerging economies. Please describe this system in further detail.

RESPONSE. The early-warning system provides government policymakers with frequent assessments of how weather is affecting crops. The emphasis has been on major world crop areas. Daily weather station data and weather satellite imagery from around the world are continuously received from the National Oceanic and Atmospheric Administration. World Agricultural Outlook Board agricultural meteorologists assess the weather's impact on crop yield potential. Daily and weekly weather briefings are routinely conducted by the staff of the Joint Agricultural Weather Facility—JAWF—for USDA commodity analysts and policymakers. Weekly reports are prepared for the Weekly Weather and Crop Bulletin, which is widely disseminated and sent to U.S. agricultural counselors abroad. The JAWF also provides analyses of weather impact on the crops as a key input to USDA's monthly World Agricultural Supply and Demand Estimates report.

## JOINT AGRICULTURAL WEATHER FACILITY

Mr. DURBIN. Update the table that appears on page 145 of last year's hearing record, showing the annual budget for the Joint Agricultural Weather Facility broken out between the Board and NOAA, to include 1993 actuals and 1994 estimates.

RESPONSE. The information follows:

## JOINT AGRICULTURAL WEATHER FACILITY FY 1988-94

(Dollars in thousands)

Year	WAOB		NOAA		Total	
	Amount	FTE	Amount	FTE	Amount	FTE
1988 actual .....	\$431	8.0	\$526	9.0	\$957	17.0
1989 actual .....	472	8.0	531	7.5	1,003	15.5
1990 actual .....	588	9.0	543	9.5	1,131	18.5
1991 actual .....	520	7.0	566	9.0	1,086	16.0
1992 actual .....	567	7.7	547	8.5	1,114	16.2
1993 actual .....	572	8.0	597	8.0	1,169	16.0
1994 estimate .....	583	8.0	603	7.0	1,186	15.0

## SUPPLY AND DEMAND ESTIMATES DATA BASE

Mr. DURBIN. You have been working on a project to automate your data system for supply and demand estimates. Is this project complete? What impact has it had on your estimates?

RESPONSE. Automation of the Board's global commodity supply and demand data base is part of a large, more comprehensive data management and quality control project. Substantial progress has been made but the work is not complete.

Automation is proceeding by commodity group. Modules are now in place for grains, cotton, and sugar. These are used for all grains and cotton tables, domestic and foreign, in the monthly "World Agricultural Supply and Demand Estimates"—WASDE—report, and for domestic sugar. A module for domestic and foreign soybean and product data has been developed. A module for livestock and dairy is in the design stage. Integration of all commodity modules is to begin by the end of fiscal year 1994.

The partial automation of the WASDE report thus far has freed analysts from time-consuming data handling chores to fine-tune estimates. As automation has started only recently, it is too early to quantify the impact on forecasting accuracy.

#### FORECAST EVALUATION

Mr. DURBIN. At the hearing last year you testified that two areas of information needed improvement, short-term forecasts for both export and domestic markets, and long-term projections. You propose to improve these forecasts by evaluating past performances. What is the status of these improvements?

RESPONSE. The World Agricultural Outlook Board completed an extensive study on the accuracy of long-term supply and use forecasts for selected U.S. agricultural field crops—corn, sorghum, barley, wheat, rice, soybeans, upland cotton, honey, and peanuts. Export forecasts, which affect stocks and therefore prices, were identified as the area of greatest concern. No systematic bias in export forecasts was statistically identified. This suggests that export forecasts can be improved through better information and understanding of critical variables such as policy, diet, transportation, and marketing for key export markets and for our competitors. To this end, the Department is developing better long-term models for the agricultural sectors of many countries. For example, in August 1993, the Board cleared a special report by the Economic Research Service focusing on Asia's long-term trade prospects. Extensive input and review by other experts within the Department during the inter-agency clearance process resulted in a stronger analytical product.

#### FORECAST EVALUATION

Mr. DURBIN. How did your forecasts compare to what actually happened in fiscal year 1993?

RESPONSE. The accuracy of USDA's forecasts is a function of how far in advance they are relative to the final estimate to which they are compared. Deviations from the final estimate embody not only forecasting errors but also the vagaries of weather. The Department's initial wheat, corn and soybean estimates for the 1993-94 marketing year were made in May 1993, during the early stages of the persistent rains which deluged the Midwest for the remainder of the growing season.

USDA's early-season wheat forecasts proved to be quite accurate because the flooding which followed had relatively minor impact on wheat producing areas. Wheat production was overestimated by 4.4 percent in the May 1993 "World Agricultural Supply and Demand Estimates"—WASDE—report, compared with USDA's final January 1994 estimate. The May 1993 export forecast exactly matches the January 1994 estimate, while ending stocks were overestimated by 12 percent.

USDA overestimated U.S. corn and soybean production in May because of the sustained unfavorable weather which followed. Between May and July, it became apparent that the production forecasts for these two crops had to be significantly reduced even though NASS field surveys would not be available until August. WAOB focused on probable area reductions as a basis for deviating from the trend-based projections published in May and June. The corn and soybean production forecasts published in the July WASDE report were readily accepted by commodity markets and proved to be a smooth transition to the NASS Crop Production report in August. As the season progressed, USDA continuously modified its forecasts to reflect the impact of weather on crop potential. The August projections for corn and soybean production differed from USDA's final estimates by 17 and 5 percent, respectively. By November both differed from the final by less than 3 percent, consistent with historic average differences. The export forecasts for both commodities were within 8 percent of the final estimates by September. The accuracy of ending stocks forecasts for both commodities fell within 15 percent of the final estimate by November. Given the volatility and small size of the ending stocks component this accuracy is within historic norms.

#### INFLATIONARY INCREASE

Mr. DURBIN. Your budget request includes an inflationary increase of \$14,000 to maintain current services of critical parts of the program. Provide the Committee



with a description of what these critical parts, are, as well as a detail breakout of how you arrive at the increase.

RESPONSE. The \$14,000 was a 2.6 percent increase on the WAOB FY 1994 estimate of \$305,000 for non-salary costs. The 2.6 percent is an OMB percentage factor for increases in non-pay inflation. This increase will maintain current services in such areas as supplies, equipment maintenance, and ADP usage.

#### OTHER SERVICES

Mr. DURBIN. Provide a sub-object class breakout of object class 25.2, "Other Services," for each fiscal year 1993, 1994, and 1995.

RESPONSE. The information follows:

#### WORLD AGRICULTURAL OUTLOOK BOARD OTHER SERVICES (OBJECT CLASS 25.2)

[In thousands of dollars]

Service	1993 actual	1994 es- timate	1995 es- timate
Departmental assessments for central services and agencywide central services .....	\$81	\$88	\$89
Contractual services—other .....	121	124	163
Training .....	9	8	12
ADP primarily Kansas City computer center .....	2	1	1
Data acquisition .....	13	15	12
Total .....	226	236	277

#### WORKERS COMPENSATION CLAIM

Mr. DURBIN. What is the status of the worker's compensation claim you have pending?

RESPONSE. The Department of Labor has determined that this individual is disabled as a result of an on-the-job injury. Until this claimant is determined to be fully recovered, the Board is responsible for salary compensation, medical and rehabilitation costs. In fiscal year 1995, Board outlays for this claim will be approximately \$30,000 comprised of approximately \$24,000 for salary compensation and \$6,000 for medical expenses.

#### PURCHASES OF GOODS AND SERVICES FROM GOVERNMENT ACCOUNTS

Mr. DURBIN. A new object class appears this year on your tables, object class 25.3, "Purchases of Goods and Services from Government Accounts." Describe this in further detail.

RESPONSE. This new object class is required by OMB in their instructions and guidance for the preparation of the fiscal year 1995 budget. Object class 25.3 includes obligations for purchases from other Federal agencies or accounts. It also includes interagency agreements for contractual services for the purchase of goods and services. Figures for this object class appear in fiscal years 1993 and 1994 in order to make the numbers comparable with 1995.

#### FORMER SOVIET UNION DATA

Mr. DURBIN. Special interagency meetings were held with the Foreign Agricultural Service and the Economic Research Service to assure a coordinated response to data problems associated with the breakup of the Soviet Union. What kind of problems are you talking about?

RESPONSE. When the Former Soviet Union—FSU—split along republic boundaries in December 1991, 15 independent countries were created. With the breakup, the centrally managed system of coordinating and collecting agricultural statistics and reporting this information changed substantially. While the Commonwealth of Independent States statistical committee reports data for all former republics, except the Baltic States, each independent country was left to develop or continue its own collecting and reporting procedures. Country-level historical data on consumption and trade were fragmented and/or incomplete because in past years, these countries were part of the Soviet Union. The breakup of the FSU created a need at USDA for statistics on country-level production, supply and demand estimates, and trade flows between and outside these new countries. The inclusion of trade between the former republics had an impact on world trade estimates. Interagency meetings held with the Foreign Agricultural Service and the Economic Research Service resulted in a unified approach to handling all of these data problems.

## CHINA SUGAR PRODUCTION AND MARKETING

Mr. DURBIN. A Board sugar analyst traveled to China as part of a technical exchange program and collected information on China sugar production and marketing. How is the U.S. sugar industry benefiting from this information?

RESPONSE. China has become one of the most important factors in the determination of the world sugar situation. Production and consumption have increased rapidly, but not always at the same pace. Thus, from year to year China can move from being a large net importer to a large net exporter, or vice versa. The trip gave the Board's sugar analyst an opportunity to gather data and obtain a first-hand impression of the new entrepreneurial drive that has catapulted China into the ranks of the world's largest sugar producers and traders. As a result of the trip, USDA has been able to improve its analysis of the Chinese and the world sugar situation, thus benefiting U.S. sugar traders, including those who sell reexports from U.S. refineries.

## SATELLITE DATA

Mr. DURBIN. What is meant by the statement in the explanatory notes that USDA's information requirements will receive high priority in future satellite systems?

RESPONSE. As USDA's representative on interdepartmental satellite system planning committees, such as the Landsat Civil Interagency Working Group and the Landsat Science Working Group, the World Agricultural Outlook Board has made the National Aeronautics and Space Administration (NASA) aware of the Department's significant imagery requirements. Because USDA is the largest purchaser of Landsat imagery among all of the Federal civilian agencies, NASA has been responsive to USDA needs. For example, NASA agreed to USDA's request to limit a scheduled change in the planned satellite overpass time of Landsat 7. NASA continues to consult with the Department about other data collection requirements and to make other members of the Landsat program management team aware of USDA needs.

## REMOTE SENSING

Mr. DURBIN. What is the total funding that USDA spends on remote sensing activities?

RESPONSE. It is projected that USDA will spend approximately \$28 million on remote sensing activities in fiscal year 1994.

## WEATHER STATIONS

Mr. DURBIN. Who maintains the 8,000 weather stations around the world that you monitor?

RESPONSE. The 8,000 weather stations are maintained by member countries of the World Meteorological Organization (WMO), a specialized agency of the United Nations. Through WMO, the data is shared globally.

## WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

Mr. DURBIN. What is the estimated annual cost of the monthly report of the World Agricultural Supply and Demand Estimates (WASDE)?

RESPONSE. The current gross annual cost to produce the World Agricultural Supply and Demand Estimates is \$15,188, comprised of \$7,116 for postage fees, \$3,550 for contractual mailing services, and \$4,522 for printing.

## WORLD AGRICULTURAL SUPPLY AND DEMAND ESTIMATES

Mr. DURBIN. What is the subscription level of this report?

RESPONSE. There are 1,203 paid subscribers currently, plus less than 200 free copies sent to government or the media.

## SUPPLY AND UTILIZATION DATA

Mr. DURBIN. This report provides projections of world and U.S. supply and utilization data for grains, soybeans, and cotton; and U.S. estimates for red meat, poultry, eggs, and milk. Why these commodities as opposed to others?

RESPONSE. The *World Agricultural Supply and Demand Estimates* report focuses on those major commodities for which the U.S. Government administers various price support programs. Therefore, the world and U.S. supply/demand situation for grains, soybeans and cotton are of keen interest to U.S. policymakers, as is the do-



mestic situation for milk. Grain and livestock commodities are analyzed and reported simultaneously because of the interrelationships between feed supplies and feed use. Finally, most of the commodities in the report are "market sensitive" in that they are traded in futures markets.

#### SUPPLY AND DEMAND ESTIMATES DATA BASE

Mr. DURBIN. For the first time, the WASDE data base on U.S. field crops was offered for sale under the user fee program. What type of information is available from this data base?

RESPONSE. Data currently made available under the user fee program include all monthly U.S. crop supply/demand estimate from the *World Agricultural Supply and Demand Estimates* report from issue No. 1, September 17, 1973 through No. 284, November 9, 1993. The crops/products included are cotton, rice, long grain rice, short- and medium-grain rice, soybeans, soybean meal, soybean oil, total feed grains, corn, sorghum, barley, oats, wheat, and wheat by class—hard winter, hard spring, soft red, white, and durum. The database is offered in spreadsheet form, organized by crop.

#### SUPPLY AND DEMAND ESTIMATES DATA BASE

Mr. DURBIN. What is the cost to purchase this information and how many requests have you had?

RESPONSE. The cost of purchasing the WASDE data base, published on two 3.5-inch diskettes, is \$35. Customers have purchased 35 copies to date.

#### SUPPLY AND DEMAND ESTIMATES DATA BASE

Mr. DURBIN. Who are the requesters—are they U.S. citizens or foreigners?

RESPONSE. U.S. customers have purchased 33 of the copies sold to date, and foreign customers, two.

#### CONTRACTUAL SERVICES

Mr. DURBIN. Please provide a table showing the amount of work that has been contracted out for the last 5 years, including estimates for fiscal years 1994 and 1995.

RESPONSE. The World Agricultural Outlook Board has not replaced any professional staff with contract employees or consultants in the last 5 years. The WAOB, to achieve maximum efficiency, has hired non-governmental firms to collect and process registration fees and audio visual services. These costs average \$20,000 over the last 5 years.

#### BUDGET REQUEST

Mr. DURBIN. What was your budget request to the Secretary, what was the Secretary's request to OMB, and what was OMB's allowance?

RESPONSE. The WAOB budget request to the Secretary was \$2,640,000. The Secretary's request to OMB was \$2,640,000. The OMB allowance was \$2,631,000.

Mr. DURBIN. If any of you would like to have a last word, now is your chance. You have not been given the usual opportunity to make an opening statement, though it will be included in the record. So if there is anything you would like to add at this point to further edify Mr. Skeen or myself, now is your chance.

[No response.]

Mr. DURBIN. The defense rests. [Laughter.]

Thank you very much. We appreciate your being here.

## WORLD AGRICULTURAL OUTLOOK BOARD

Statement of Gerald A. Bange, Acting Chairperson, before the House Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Mr. Chairman and Members of the Committee, it is my pleasure to appear before you today to discuss the fiscal year 1995 budget request of the World Agricultural Outlook Board (WAOB) and to briefly indicate the organization and mission of the Agency.

The World Agricultural Outlook Board is a small group of 30 economists, meteorologists and support personnel, all located in Washington, D.C. The WAOB coordinates USDA-wide functions related to agricultural outlook, projections, weather and remote sensing. We will report to the Chief Economist in Executive Operations under the Secretary's proposed reorganization.

Overview

The WAOB plays a critical role in the U.S. Department of Agriculture's (USDA's) ongoing effort to ensure that its commodity information system responds to today's rapidly changing world. The purpose of the WAOB is twofold: to ensure that USDA's intelligence on both domestic and foreign developments which influence U.S. agriculture is timely, accurate, and objective; and to speed the flow of that information to producers, consumers, policy makers and the general public.

WAOB's main function is to coordinate and review for accuracy and consistency all USDA forecasts and analyses relating to foreign and domestic commodity supply and demand conditions. As a small agency responsible for coordinating USDA's economic intelligence program, the WAOB is highly dependent for analytical support on other agencies, especially the Economic Research Service, the Department's principal economic research arm, and the Foreign Agricultural Service, the Department's principal source of foreign economic intelligence.

WAOB is the Department's focal point for weather and climate information and weather-based impact assessments; these monitoring and analytical activities within USDA are coordinated by the WAOB Chairperson. Remote sensing activities in USDA also are coordinated by the WAOB Chairperson. Weather assessments and remote sensing activities are directed at improving the accuracy and timeliness of crop estimates.

USDA representation with respect to economic and meteorological matters is provided by WAOB staff. WAOB economists maintain liaison with counterparts in the Commodity Futures Trading Commission (CFTC) regarding developments in commodity markets. WAOB agricultural meteorologists participate in various domestic and international organizations such as: the Department of Commerce based Office of the Federal Coordinator for Meteorological Services and Supporting Research; the National Academy of Science's Board on Atmospheric Sciences and Climate; and the United Nations' World Meteorological Organization and Food and Agricultural Organization.

### Specific Functions and Progress

WAOB chairs USDA's Interagency Commodity Estimates Committees (ICEC's) and seeks to assure that sound information from both domestic and international sources is fully integrated into the analytical process. The ICEC's are composed of representatives from the Economic Research Service (ERS), Agricultural Stabilization and Conservation Service (ASCS), Foreign Agricultural Service (FAS), Agricultural Marketing Service (AMS), and WAOB. All committee members are USDA professionals with responsibility for developing official estimates of supply, utilization, and prices for the major agricultural commodities. It is through these committees that the various USDA agencies work together in a coordinated effort. Development and use of new analytical tools and evaluation of forecasting performance are ongoing responsibilities of each committee.

Also, WAOB chairs the Interagency Agricultural Projections Committee (IAPC), created to sharpen the Department's focus on longer term commodity and aggregate farm sector projections. Macroeconomic and farm program assumptions used by USDA analysts are cleared through the IAPC to assure uniformity within the Department. Analytical results approved by the IAPC provide the data to USDA agencies charged with responsibilities requiring the use of such projections.

WAOB publishes the World Agricultural Supply and Demand Estimates (WASDE) report each month. WASDE presents aggregated global supply and demand data for all major agricultural commodities as well as detailed production, trade,



utilization and stocks forecasts for the United States and for principal U.S. competitors and foreign importers. Release is simultaneous with the U.S. Crop Production report. Like the domestic Crop Production report, the WASDE report is viewed by U.S. and international agriculture as a benchmark report.

The Agricultural Statistics Board (ASB) of the National Agricultural Statistics Service (NASS) and the WAOB are co-located in a single lockup facility to maximize security conditions for analysis, compilation and release of world crop data and supply/demand estimates. This physical arrangement with the ASB facilitates interaction between domestic and international analysts.

USDA provides unbiased commodity supply and demand information to all market participants simultaneously and at minimal cost. As commodity prices are impacted less by Government programs and more by market forces, the need for objective and current information becomes even more critical. WAOB recognizes the need for rapid information dissemination and strives to place the WASDE report into the hands of farmers and other users as quickly and effectively as possible. Increasingly, improved technologies are being used to speed the flow of information. WASDE is transmitted electronically upon release at 3 p.m. to a central USDA system that can forward it to all interested users, greatly broadening the potential for report dissemination. A summary of the report placed in USDA's AgNewsFAX system gives ready access to the press and public. Wide advertising of the WASDE report through the Economic Agencies' "Reports" catalog has greatly increased public subscriptions.

Each month, WAOB records highlights of the WASDE report for broadcast on USDA's radio and television satellite network. Also, the report summary is sent electronically to U.S. embassies and trade offices around the world to keep U.S. agricultural attaches, counselors, and trade representatives current with the very latest information on commodity supplies and prices.

Weather, as much as any economic or policy development, continues to be a significant variable underlying agricultural production and prices in the Board's current year assessment work. Consequently, USDA places a high priority on incorporating weather-based assessment information into all analyses. The focal point for this activity is the Joint Agricultural Weather Facility (JAWF), operated jointly by the WAOB and the National Oceanic and Atmospheric Administration of the Department of Commerce. This facility, located in the South Agriculture Building, continually monitors and assesses global weather events and their probable impact on agricultural output. JAWF briefings, reports and special alerts are key inputs to the development of USDA crop yield estimates for both competitors and customers in world markets.

The Weekly Weather and Crop Bulletin (WWCB), USDA's electronic dissemination network, and radio and television are the principal means used by JAWF to disseminate meteorological assessments to the public. JAWF's early warning capability diminishes the likelihood that policy makers, farmers and other

participants in the agricultural system will be caught unaware of a foreign crop failure or other significant global weather-related event. The WWCB is widely recognized as a prime source of reliable domestic and international crop and weather information. Summaries of this report are dispatched electronically by FAS to selected foreign posts.

#### Recent Activities

As a part of USDA's ongoing economic information program, the WAOB continued to publish the monthly World Agricultural Supply and Demand Estimates (WASDE) report, which provides projections of world and U.S. supply and utilization data for grains, soybeans and cotton; and U.S. estimates for red meat, poultry, eggs and milk. The report also includes forecast reliability tables for selected commodities and parameters. During fiscal year 1993, coverage was expanded to include more detail about the former Soviet Union (FSU).

WAOB initiated special interagency meetings with the Foreign Agricultural Service (FAS) and Economic Research Service (ERS) to assure a coordinated response to data problems associated with the breakup of the Soviet Union. Commodity data for individual FSU countries and the Baltic states is now being reported in various USDA publications. With respect to weather information, WAOB made substantial progress in assembling meteorological and agronomic data from individual republics of the FSU. WAOB has obtained sub-republic data from the Central Intelligence Agency, the Federal Broadcast Information Service, FAS and ERS.

WAOB continued to develop and implement a forecast evaluation system. The primary purpose of this project is to improve commodity forecasts by evaluating past performance. Substantial progress has been made on this project with the support of the Department's leadership and technical assistance provided by USDA's Office of Information Resources Management. In response to public interest, the complete WASDE data base on U.S. field crops was, for the first time, offered for sale under the user fee program for USDA economic publications.

The Department's Interagency Agricultural Projections Committee, under leadership of WAOB, continued a concerted effort to improve USDA's longer term commodity estimates. These projections are used by the Commodity Credit Corporation to develop a budget baseline as well as for analyzing farm program alternatives.

The Joint Agricultural Weather Facility (JAWF), operated by the WAOB and the National Oceanic and Atmospheric Administration, in cooperation with the National Agricultural Statistics Service, published the Weekly Weather and Crop Bulletin. The JAWF continued to monitor and interpret significant global weather developments and their implications for agriculture.

Monitoring and analyzing global commodity markets to facilitate accurate and timely outlook reporting and policy appraisals remains WAOB's primary focus. During a year highlighted by weather that plagued agriculture, WAOB provided policy makers and the public with early and frequent assessments of how crops here and abroad would likely be affected.



WAOB's analyses of the 1993 Midwest flood and Southeast drought provided support to the Office of the Secretary. Beginning with the May WASDE report, WAOB mustered all meteorological and economic resources available to produce U.S. production estimates for corn and soybeans, the two crops most affected. By July, it was apparent that the production forecasts for these two crops had to be significantly reduced even though NASS field surveys would not be available until August. WAOB focused on probable area reductions as a basis for deviating from the trend based projections published in May and June. The corn and soybean production forecasts published in the July WASDE report were readily accepted by the market, and proved to be a smooth transition to the survey-based Crop Production report prepared by the National Agricultural Statistics Service (NASS) in August. As the crisis continued, WAOB integrated survey-based production forecasts by NASS into subsequent WASDE reports.

In the international arena, WAOB/JAWF provided FAS with early warning of the pending shortfall of Japan's 1993 rice crop. JAWF provided a running assessment of these events which were tracked by satellite imagery and meteorological reports. Based on the JAWF alert, FAS requested a special assessment of the situation from the FAS counselor/attache in Tokyo. As a result, USDA quickly adjusted its estimate of Japanese rice ahead of official Japanese statements and press reports. Heads-up analysis by USDA provided the U.S. rice trade with advanced notice of a potential market.

The WAOB sugar analyst traveled to China as leader of a team organized under the auspices of the USDA-Chinese Ministry of Agricultural technical exchange program. The team traveled extensively in China and exchanged information on sugar production and marketing in the two countries. USDA analyses of the world sugar situation and outlook are benefiting from the information collected.

WAOB commodity specialists participated in numerous interagency analyses related to the North American Free Trade Agreement and Uruguay Round of the General Agreement on Tariffs and Trade. The results of the assessments were provided to U.S. negotiators.

As part of WAOB's role in climate activities, the Board's Chief Meteorologist represents the United States on the North Atlantic Treaty Organization's "Special Programme on the Science of Global Environmental Change." The panel members identify a range of cutting edge scientific issues dealing with global environmental change, recruits potential workshop directors from the world's leading scientists, reviews proposals for conformity to NATO science goals and recommends funding for successful workshop proposals.

The Board coordinates remote sensing activities at the Department level. Seven USDA agencies depend on remote sensing to assess crop conditions, manage natural resources, and operate farm programs. WAOB's Remote Sensing Coordinator facilitated information exchanges on remote sensing projects and activities among USDA agencies to avoid duplication of effort and ensure optimum use of resources.

Action by the Remote Sensing Coordinator enabled USDA's Forest Service to purchase satellite imagery from SPOT Image Corporation at a substantial discount. SPOT had assembled an offer package requiring a purchase too large for the Forest Service alone. Because no other USDA agency was in need of imagery, the Coordinator reached out to the National Aeronautical and Space Administration (NASA) and the U.S. Geological Survey (USGS) to find potential partners. This grew into a joint counter proposal by USDA and seven other Federal agencies, which SPOT accepted.

WAOB coordinated USDA's contribution to the annual Aeronautics and Space Report of the President: Fiscal Year 1993 Activities. This recurring project requires contact with and solicitation of significant achievements from the agencies that are dominant in remote sensing.

WAOB coordinated USDA's participation in Commodity Futures Trading Commission's weekly closed market surveillance briefings. USDA and the CFTC shared market information as part of an ongoing futures price monitoring activity.

WAOB coordinated and directed USDA's 70th Annual Outlook Conference, (November 30-December 1, 1993.) The conference featured 22 topical sessions and prominent speakers from the public and private sectors; it attracted an on-site audience of 1,000, including a large press contingent. Plenary sessions of the conference were broadcast nationwide via satellite.

### Budget Request

WAOB's fiscal year 1994 budget is extremely tight. This is primarily because WAOB must absorb the 1994 locality pay increase and reimburse the Department of Labor for accumulated outlays from prior years for a worker's compensation claim. To meet these obligations, WAOB management has redirected funds from discretionary accounts since the beginning of fiscal year 1994. Travel and training outlays have been severely curtailed and approvals for new computer hardware purchases have been denied.

Our total budget request for fiscal year 1995 is \$2,631,000. This represents an increase of \$65,000 from the fiscal year 1994 level of \$2,566,000. This increase consists of \$22,000 for pay costs, \$14,000 in non-salary costs, and \$44,000 for the expansion of the Meteorological Data Base for Emerging Economies. These increases are partially offset by a decrease of \$15,000 to implement the President's program for reducing overall administrative costs.

Funds are requested to expand the Meteorological Data Base for Emerging Economies. The expansion of this program will furnish USDA commodity analysts and policymakers with alerts and analyses of the weather's impact on crop yields in countries which are expected to grow in importance as importers and/or competitors in the near future.

This concludes my statement, Mr. Chairman. I will be happy to respond to your questions.



## WORLD AGRICULTURAL OUTLOOK BOARD

Purpose Statement

The World Agricultural Outlook Board (WAOB) was created by the Secretary of Agriculture on June 3, 1977, under the authority of the Reorganization Plan No. 2 of 1953. The WAOB serves as the single focal point for the Nation's economic intelligence related to domestic and international food and agriculture, and is responsible for coordination and clearance review of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department of Agriculture. The WAOB's primary objective is to improve the consistency, objectivity and reliability of outlook and situation material developed in the Department.

WAOB functions include: information dissemination; market surveillance; coordination of assessments of international and domestic agricultural developments; improvement of forecasting techniques; and coordination of weather, climate and remote sensing activities.

The WAOB is located in Washington, D.C. As of September 30, 1993, there were 30 full-time employees. Budget, personnel, administrative and general managerial support are provided by the Economics Management Staff.

## WORLD AGRICULTURAL OUTLOOK BOARD

Available Funds and Staff-Years1993 Actual and Estimated 1994 and 1995

Item	1993		1994		1995	
	Actual	Staff-	Estimated	Staff-	Estimated	Staff-
	Amount	Years	Amount	Years	Amount	Years
World Agricultural Outlook Board.....	\$2,537,000	30	\$2,566,000	34	\$2,631,000	34
<u>Obligations under Other USDA</u>						
<u>appropriations:</u>						
Economic Research Service for Annual Outlook Conference.....	28,500	--	10,800	--	10,800	--
Extension Service for Annual Outlook Conf.....	19,000	--	19,000	--	19,000	--
Foreign Agricultural Service for Annual Outlook Conference.....	9,500	--	9,500	--	9,500	--
Total, Other USDA Appropriations.....	57,000	--	39,300	--	39,300	--
Total, Agriculture Appropriations.....	2,594,000	30	2,605,300	34	2,670,300	34
Total, World Agricultural Outlook Board.....	2,594,000	30	2,605,300	34	2,670,300	34

WORLD AGRICULTURAL OUTLOOK BOARD  
 Permanent Positions by Grade and Staff-Year Summary  
 1993 and Estimated 1994 and 1995

Grade	1993 Headquarters	1994 Headquarters	1995 Headquarters
ES-5.....	1	1	1
ES-4.....	1	1	1
Senior Level.....	1	1	1
GS/GM-15.....	9	9	9
GS/GM-14.....	2	2	2
GS/GM-13.....	3	4	4
GS-12.....	4	5	5
GS-11.....	1	1	1
GS-10.....	1	1	1
GS-9.....	1	3	3
GS-7.....	5	5	5
GS-6.....	1	1	1
Total Permanent Positions.....	30	34	34
Unfilled Position end-of-year.....	--	-4	-4
Total, Permanent Employment, end-of-year.....	30	30	30
Staff-Years.....	30	34	34
Total.....	30	34	34

## WORLD AGRICULTURAL OUTLOOK BOARD

## CLASSIFICATION BY OBJECTS

1993 and Estimated 1994 and 1995

	<u>1993</u>	<u>1994</u>	<u>1995</u>
Personnel Compensation:			
Headquarters.....	\$1,748,273	\$1,781,000	\$1,800,000
Field.....	<u>--</u>	<u>--</u>	<u>--</u>
11 Total personnel compensation.....	1,748,273	1,781,000	1,800,000
12 Personnel benefits.....	<u>264,123</u>	<u>271,000</u>	<u>274,000</u>
Total pers. comp. & benefits.....	2,012,396	2,052,000	2,074,000
Other Objects:			
21 Travel.....	27,067	42,000	42,000
22 Transportation of things.....	814	1,000	1,000
23.3 Communications, utilities, and misc. charges.....	80,424	72,000	72,000
24 Printing and reproduction.....	20,516	32,000	32,000
25.2 Other services.....	225,396	236,000	277,000
25.3 Purchases of goods and services from Govt. accounts.....	13,000	13,000	13,000
26 Supplies and materials.....	57,685	53,000	55,000
31 Equipment.....	89,070	65,000	65,000
43 Interest and dividends.....	<u>148</u>	<u>--</u>	<u>--</u>
Total other objects.....	<u>514,120</u>	<u>514,000</u>	<u>557,000</u>
Total direct obligations...	<u>2,526,516</u>	<u>2,566,000</u>	<u>2,631,000</u>
Position Data:			
Average Salary, ES positions.....	\$105,567	\$105,567	\$107,678
Average Salary, GS positions.....	\$33,623	\$42,056	\$49,002
Average Grade, GS positions.....	11.1	11.7	12.6



## WORLD AGRICULTURAL OUTLOOK BOARD

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

World Agricultural Outlook Board:

For necessary expenses of the World Agricultural Outlook Board to coordinate and review all commodity and aggregate agricultural and food data used to develop outlook and situation material within the Department of Agriculture, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), [2,566,000] \$2,631,000: Provided, That this appropriation shall be made available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

## WORLD AGRICULTURAL OUTLOOK BOARD

SALARIES AND EXPENSES

Appropriation Act, 1994 .....	\$2,566,000
Budget Estimate, 1995 .....	<u>2,631,000</u>
Increase in Appropriation .....	<u>+65,000</u>

Summary of Increase and Decreases  
(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1995 Estimated</u>
Annualization of FY 1995				
Pay Raise.....	--	+\$22,000	--	+\$22,000
Non pay inflation.....	--	--	+\$14,000	+14,000
Meteorological Data Base				
Expansion for Emerging Economies.....	--	--	+44,000	+44,000
Administrative overhead				
reduction.....	--	--	-15,000	-15,000
All Other.....	\$2,566,000	--	--	2,566,000
Total Available.....	<u>2,566,000</u>	<u>+22,000</u>	<u>+43,000</u>	<u>2,631,000</u>

Project Statement  
(On basis of adjusted appropriation)

Project	1993 Actual		1994 Estimated		Increase	1995 Estimated	
	Amount	Staff- Years	Amount	Staff- Years		Amount	Staff- Years
Commodity and							
Aggregate and							
Agricultural							
and Food Out-							
look Situation..	\$2,526,516	30	\$2,566,000	34	+\$65,000	\$2,631,000	34
Unobligated							
balance.....	10,484		--		--	--	
Total Available:							
or estimate...	2,537,000	30	2,566,000	34	+65,000	2,631,000	34
Total							
appropriation..	<u>2,537,000</u>	<u>30</u>	<u>2,566,000</u>	<u>34</u>			

## WORLD AGRICULTURAL OUTLOOK BOARD

EXPLANATION OF PROGRAM

The World Agricultural Outlook Board (WAOB) coordinates and reviews for clearance all commodity and aggregate agricultural data used to develop outlook and situation materials within the U.S. Department of Agriculture. The WAOB provides a focal point for the Nation's economic intelligence relative to domestic and foreign agriculture, with two primary objectives: improving the consistency, objectivity, reliability and timeliness of outlook and situation material being disseminated to the public; and integrating USDA domestic and international economic information. In a cooperative effort with the National Oceanic and Atmospheric Administration, the WAOB operates the Joint Agricultural Weather Facility, which provides agricultural impact assessments of significant weather developments, both domestic and foreign. The WAOB's functions include market surveillance; coordination of assessments of domestic and foreign agricultural developments; evaluation of forecasting techniques; coordination of USDA weather, climate and remote sensing activities; and information dissemination. Under the Secretary's proposed reorganization, the function of the World Agricultural Outlook Board would be transferred to Executive Operations.

JUSTIFICATION OF INCREASES AND DECREASES(1) An increase of \$65,000 for Commodity and Aggregate Agricultural and Food Outlook and Situation consisting of:

- (a) An increase of \$22,000 for 1.6 percent for fiscal year 1995 pay costs.
- (b) An increase of \$14,000 which reflects a 2.6 percent increase in non-salary costs.

Need for Change. These funds are necessary to offset increased operating costs. Continued absorption of these increased operating costs will severely affect the quality and quantity of our program.

Nature of Change. This increase will be used to maintain a current level of services associated with inflation which affects the critical parts of the program.

(c) An increase of \$44,000 to fund the Meteorological Data Base Expansion for Emerging Economies.

Need for Change. This initiative would enable the WAOB to enhance the Joint Agricultural Weather Facility's (JAWF) early warning system for monitoring the impact of weather as it affects the food situation and outlook in emerging economies (developing and formerly centrally planned). Information collected will be used to support several activities, including forecasting U.S. exports, assessing short-term food aid needs, and developing long-term marketing strategies. This effort will furnish USDA commodity analysts with alerts and analyses of weather's impact on crop yields and provide policymakers with substantially more lead time to develop action plans in response to global food crises.

Nature of Change. The WAOB will use the funds to enhance their meteorological data base for the JAWF through cooperative agreements with academic institutions and international organizations. This effort will strengthen the linkages between research and operational applications by promoting data sharing and technology transfer among agencies and institutions.

- (d) A decrease of \$15,000 for administrative efficiency.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$15,000.

Nature of Change. In order to achieve these savings, WAOB will reduce discretionary expenses by \$15,000 in FY 1995, in areas such as travel, training, supply purchases, printing and reproduction costs, utility usage, and curtail its agreements with other Federal agencies.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF-YEARS  
1993 and Estimated 1994 and 1995

	<u>1993</u>		<u>1994</u>		<u>1995</u>	
	<u>Amount</u>	<u>Staff-Years</u>	<u>Amount</u>	<u>Staff-Years</u>	<u>Amount</u>	<u>Staff-Years</u>
District of Columbia	\$2,526,516	30	\$2,566,000	34	\$2,631,000	34
Unobligated Balance	10,484	--	--	--	--	--
Total Available						
or Estimate.....	2,537,000	30	2,566,000	34	2,631,000	34



## WORLD AGRICULTURAL OUTLOOK BOARD

STATUS OF PROGRAM

The World Agricultural Outlook Board (WAOB) coordinates and reviews for clearance all commodity and aggregate agricultural and food-related data used to develop outlook material within the U.S. Department of Agriculture. Prior to the creation of WAOB on June 3, 1977, agricultural outlook data were collected, analyzed and reported by several agencies in USDA. The Board's role is to coordinate and assure the accuracy, timeliness and objectivity of USDA's agricultural outlook analyses. The Board not only directs the compilation and review of critical economic intelligence data, it also makes sure the essential information quickly reaches policy makers and the public, especially the U.S. farmer.

Current Activities: WAOB functions include: information dissemination; market and agricultural weather surveillance; coordination of USDA forecasts of international and domestic agricultural developments; and coordination of weather, climate and remote sensing research activities.

The Board presents weekly briefings of significant agricultural developments to the Secretary and other top officials, supplemented by a daily market intelligence report.

Selected Examples of Recent Progress: As a part of USDA's ongoing economic information program, the WAOB continued to publish the monthly World Agricultural Supply and Demand Estimates (WASDE) report, which provides projections of world and U.S. supply and utilization data for grains, soybeans and cotton; and U.S. estimates for red meat, poultry, eggs and milk. The report also includes forecast reliability tables for selected commodities and parameters. During fiscal year 1993, coverage was expanded to include more detail about the former Soviet Union (FSU).

WAOB initiated special interagency meetings with the Foreign Agricultural Service (FAS) and Economic Research Service (ERS) to assure a coordinated response to data problems associated with the breakup of the Soviet Union. Commodity data for individual FSU countries and the Baltic states is now being reported in various USDA publications. With respect to weather information, WAOB made substantial progress in assembling meteorological and agronomic data from individual republics of the FSU. WAOB has obtained Oblast level data from the Central Intelligence Agency, the Federal Broadcast Information Service, FAS and ERS.

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transition to the survey-based Crop Production report prepared by the National Agricultural Statistics Service (NASS) in August. As the crisis continued, WAOB integrated survey-based production forecasts by NASS into subsequent WASDE reports.

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WAOB commodity specialists participated in numerous interagency analyses related to the North American Free Trade Agreement and Uruguay Round of the General Agreement on Tariffs and Trade. The results of the assessments were provided to U.S. negotiators.

With responsibility for chairing all Interagency Commodity Estimates Committees, the WAOB continued to further advance and focus USDA's economic information system. For the purpose of improving USDA's longer term commodity supply and demand and farm sector projections, WAOB directed the activities of the Interagency Agricultural Projections Committee (IAPC). The IAPC provided farm program and macroeconomic assumptions to the Interagency Commodity Estimates Committees to assure uniformity in the preparation of interagency projections. The IAPC reviewed livestock and crop projections and farm income forecasts for internal consistency. These projections were used for budget and planning purposes.

WAOB's Remote Sensing Coordinator facilitated information exchanges on remote sensing projects and activities among USDA agencies to avoid duplication of effort and ensure optimum use of resources. USDA's information requirements will receive high priority in future satellite systems. Better interchange among agencies and the private sector has resulted in sharing of data and resources and the avoidance of unnecessary costs.

Action by the Remote Sensing Coordinator enabled USDA's Forest Service to purchase satellite imagery from SPOT Image Corporation at a substantial discount. SPOT had assembled an offer package requiring a purchase too large for the Forest Service alone. Because no other USDA agency was in need of imagery, the Coordinator reached out to the National Aeronautical and Space Administration (NASA) and the U.S. Geological Survey (USGS) to find potential partners. This grew into a joint counterproposal by USDA and seven other Federal agencies which SPOT accepted.

WAOB coordinated USDA's contribution to the annual Aeronautics and Space Report of the President: Fiscal Year 1993 Activities. This recurring project requires contact with and solicitation of significant achievements from the agencies that are dominant in remote sensing.

Existing links with the Commodity Futures Trading Commission (CFTC) were continued under a formal CFTC-USDA agreement to ensure that the futures markets best serve the interests of both farmers and consumers.

On November 30 and December 1, USDA hosted Outlook '94, the Department's 70th Annual Outlook Conference. More than 700 participants, including many from abroad and 75 press representatives registered for the conference, which featured 22 topical

sessions focusing on the outlook for farmers and consumers. The opening day was televised nationally via satellite, and C-SPAN recorded selected sessions for delayed broadcast. Secretary Espy keynoted the conference with his vision of new priorities for USDA. In the plenary sessions which followed, prominent speakers from within USDA and invited experts addressed economic outlook, trade prospects, rural development, environmental policy and food safety and nutrition issues. Day two of the conference highlighted commodity sessions, food prices, farm finance and other topics of special interest.



TUESDAY, APRIL 19, 1994.

**OFFICE OF THE SECRETARY/DEPARTMENTAL  
ADMINISTRATION**

**WITNESSES**

**WARDELL C. TOWNSEND, JR., ASSISTANT SECRETARY FOR ADMINIS-  
TRATION**

**ANTHONY A. WILLIAMS, CHIEF FINANCIAL OFFICER**

**CONSTANCE D. GILLAM, BUDGET OFFICER, OFFICE OF FINANCE AND  
MANAGEMENT**

**STEPHEN B. DEWHURST, BUDGET OFFICER, DEPARTMENT OF AGRI-  
CULTURE**

Mr. DURBIN. Good morning and welcome to the meeting of the subcommittee this morning. We will be hearing testimony on the appropriation request for the Office of the Secretary and Departmental Administration. Wardell Townsend, Assistant Secretary for Administration is joining us along with Anthony Williams, the Chief Financial Officer; Constance Gillam, Budget Officer and Steve Dewhurst.

Mr. Townsend, welcome.

Mr. TOWNSEND. Good morning, Mr. Chairman, and a happy Earth Week to you.

Mr. Skeen, good morning.

Mr. SKEEN. Good morning, this is an earthy bunch.

**INTRODUCTORY REMARKS**

Mr. TOWNSEND. Mr. Chairman, Mr. Skeen, and Members of the Committee, I am pleased to present the 1995 budget request for headquarters level and Department-wide activities. I will discuss the appropriations request for Departmental Administration, agriculture buildings and facilities, hazardous waste management, and the Office of the Secretary.

As you mentioned, with me this morning are Anthony Williams, the Department's first Chief Financial Officer confirmed by the Senate; Connie Gillam, who is the Budget Officer for Departmental Administration; and of course Steve Dewhurst, who is the Department's Budget Officer.

Departmental Administration serves a vital role for the Secretary's staff providing necessary leadership, coordination, oversight, policy guidance, and enforcement. Our services will be in particular demand as the Department reorganizes and streamlines.

Departmental Administration and related appropriations fund staff office activities in a variety of functions, including human resources management, procurement, civil rights enforcement, small and minority business contracting, information resources manage-



ment, and the operation and maintenance of our headquarters facilities.

We note two very important words in our mission: service and leadership. USDA's current reorganization efforts are unlike any previously done in the Department. We are in the midst of a major culture change aimed at becoming a more responsive, efficient, and business-oriented team of service providers.

Departmental Administration's mission is to provide the leadership and services in administrative management needed to help USDA better serve the public at a lower cost. Departmental Administration is evolving to meet its new roles in the reorganized USDA.

To meet this service mission, we have three major goals: One, change the organizational culture at USDA; two, support USDA reorganization; and three, improve the supporting infrastructure.

Part of our cultural change is creating a service team that will set a new standard for quality and efficiency through strategic planning, emphasis on establishing partnerships, increased attention to customer service, and replacement of out-dated regulations with more flexible guiding principles. The team approach has been focused on supporting USDA's reorganization efforts.

We started the reorganization process in Washington by taking a hard look at what structural changes need to be built in a headquarters' reorganization that reflects the mandate for reinvention.

I know there is a genuine concern about our plans to streamline our field office structure in the Farm Service Agency. We know that we must maintain and enhance our current service levels while we reduce costs. We are committed to cutting costs associated with multiple offices in many areas which could be better served economically through innovative and alternative means. That is why we are developing the Field Office of the Future, which is supported by modern business practices and information management principles.

The third goal relates to enhancing the infrastructure that supports the Department's activities. By this, we mean the automated systems, the administrative processes, the rules and guidances and, most importantly, the management of the people and the processes that constitute Team USDA.

From multi-agency integrated information systems and reviews of administrative procurement processes to the consolidation and modernization of our offices in the Washington metropolitan area, and enhancement of the integrity of our civil rights program, we are building the innovative support systems that USDA needs to reduce costs while improving overall program delivery effectiveness. These are indeed ambitious goals to which we have dedicated ourselves as members of Team USDA.

The need for technology or technological solutions is clear, and we need to take advantage of what exists; our telecommunications and IRM Strategic Plans are in place and working as a guiding framework for progress. But, more has to be done. We have been reminded of this by a string of GAO management reports and studies by OMB and GSA that go back several years.

## INFO SHARE

To meet these challenges, last year we undertook a project called Info Share which is supported and led by Departmental Administration through the Deputy Assistant Secretary for Administration, Anne F. Thomson Reed, in partnership with farm service, rural development and natural resources agencies. Info Share is one of the most important efforts the Department has ever undertaken. It is designed to merge, modernize, and streamline computer information systems used in the delivery of many of the Department's programs and activities. It is a major infrastructure improvement and a laboratory for reinvention of government.

## FAST TRACK PROJECTS

The Info Share program contains a number of fast track initiatives to demonstrate tangible successes right now. For example, for the past several months, USDA it has implemented the Cotton Classing Project, an Agricultural Stabilization and Conservation Service and Agricultural Marketing Service data sharing project running on existing networks. This new initiative has reduced the average processing time for payments from five business days to just 18 minutes.

Following the success of the initial test site, this capability now exists in 200 ASCS sites. Later this year, over 500 cotton-producing counties in the Nation will have this capability. Beginning last year, we revitalized the Modernization of Administration Processes or MAP program. Under this program, USDA will take a systematic look at how it conducts its administrative processes and will redefine data requirements and systems.

Key MAP initiatives this year include redesigning the property management and accountability system, and supporting implementation of the Financial Information Systems Vision and Strategy, or FISVIS, a project led by the Deputy Chief Financial Officer. Administrative systems will be integrated with the financial systems in support of the Chief Financial Officer's Act of 1990.

## PROCUREMENT REVIEW

Another area that the Secretary focused on upon coming to the Department had to do with procurement. Last October, the Secretary assembled a task force to review USDA's procurement practices and systems to streamline, modernize, and simplify them. The Procurement Review Task Force reviewed current systems and made recommendations on actions needed one, to acquire goods and services on a best value basis; two, to improve procurement process effectiveness in supporting program missions; and three, to use USDA procurement capacity to ensure that every qualified vendor will have a fair chance to participate. The Procurement Review Task Force made a number of recommendations and also estimated that "reinvented procurement" at USDA could save as much as \$53 million annually.

## STRATEGIC SPACE PLAN

Our buildings and facilities are very close to us in that we feel that we are managing well that which has been given to us. The



USDA staff is housed in a four-building complex in downtown Washington and in a significant amount of leased space within the Washington metropolitan area. The USDA Strategic Space Plan proposes collocation of personnel in safe and efficient, worker friendly and technology compatible office space.

The plan includes two major construction projects. The first is the construction of a new office building on government-owned land in Beltsville, Maryland, and the second, is the modernization of the headquarters South Building to provide, space to consolidate agencies and reduce the need for expensive commercial space in the Washington area.

#### WORKING CAPITAL FUND

Mr. Chairman, I also would like to provide a brief overview of activities of our Working Capital Fund. The Working Capital Fund is a source of funding for a number of centralized administrative services under Departmental Administration staff offices. The Working Capital Fund has functioned as an effective example of the manner in which the cost reduction and administrative efficiencies goals reflected in the President's program can be met.

For example, the 10 activities that provide supply and other central administrative services estimate recurring costs of \$20.1 million for the fiscal year 1995. This is a net decrease of \$848,000 from fiscal year 1994. Capitalized equipment purchases for these activities will amount to \$948,000 in fiscal year 1995, a modest increase of only \$49,000 over the 1994 level.

Mr. Chairman, I believe that Departmental Administration's Working Capital Fund activities serve as excellent examples of how responsive, efficient, centralized services get a quality job done at the lowest cost to agencies. USDA and nonUSDA agencies alike consistently find that activities financed through the Working Capital Fund eliminate the redundant waste associated with "going it alone."

#### OFFICE OF THE SECRETARY

The 1995 fiscal year budget proposes to merge several appropriations assigned to the Secretary, Deputy Secretary, two Under and seven Assistant Secretaries and the CFO into one account. Currently, each has an individual appropriation which requires a large amount of duplicative effort to maintain.

#### SUPPORT REORGANIZATION

In addition, USDA is changing to meet its mandate starting here in Washington. The Secretary has discussed his plan to reorganize the Department with the Congress. A single appropriation will facilitate the implementation of a reorganization, improve controls, and reduce fiscal management overhead costs. Merging these appropriations can be accomplished without diminishing the level of detailed information necessary for continued oversight.

This concludes my oral statement. If I may, Mr. Chairman, have my full statement provided for the record and when it is appropriate, I will be glad to answer any questions that you might have or those of the committee.

Mr. DURBIN. Thank you very much Mr. Townsend. Your statement, in its entirety, will be entered into the record.

[CLERK'S NOTE.— Mr. Townsend's biographical sketch appears on page 976. His statement appears on pages 977 through 998. The explanation, notes appear on pages 1010 through 1086.

Mr. DURBIN. And at this point, I would like to recognize the Chief Financial Officer, Anthony Williams. We welcome you to the Committee. Congratulations on your appointment. This is truly an historic event. I believe, from your testimony, you are the first confirmed CFO in the government. We look forward to working with you.

At this point, we will put your statement in the record and invite you to summarize or give us whatever highlights you think are appropriate.

#### CHIEF FINANCIAL OFFICER'S STATEMENT

Mr. WILLIAMS. Thank you, Mr. Chairman. It is indeed an honor and pleasure to be before you and the Members of the Committee as the first Presidentially appointed, Senate confirmed, CFO for the Department of Agriculture.

I would like to introduce my Deputy CFO, Ted David, and Larry Wilson, who is the Director of the Department's Office of Finance and Management.

Very briefly, sir, I would like to list some of our budget priorities in our request to the Committee and then focus very briefly on the Working Capital Fund and in particular the National Finance Center.

#### IMPORTANCE OF FINANCIAL MANAGEMENT

I am sure this committee is aware, more than just about anyone else in Washington, of the importance of efficiency and economy in all of Agriculture's programs, touching as they do the lives of millions of Americans. It is important that Agriculture, as one of our largest enterprises in the country, be run financially as well as any Fortune 500 company, and it is indeed a commitment of this office to work with the Secretary and this committee and others to see that that happens.

And in light of that, one of the first things I have done since coming in as CFO was to organize a strategic plan for headquarters financial management; to work this spring with the Department as a whole to develop a Departmental financial management plan outlining a mission of supporting effective and efficient program delivery serving our customers and working very importantly in partnership with our program managers.

#### NEED FOR RESOURCES

But despite serious efforts at reprogramming and reevaluating our resources at hand, there is a need for an additional commitment of resources as we have outlined in our statement to attend to the following areas.

One is the area of internal controls and the need to resolve material weaknesses that have been identified by the Inspector General



in a number of our financial statements and other inspections and evaluations of the Department.

We want to work in assisting our agencies in developing better performance measures in accordance with the Government Performance and Results Act, focusing on outcomes and results in all of our activities.

In the area of audit and systems improvement, we are looking to commit resources to developing annual consolidated financial statements that can pass muster and receive an unqualified opinion—the highest opinion one can receive for financial statements—strengthening our asset management capabilities, and, very importantly, developing and implementing a cost accounting system to give decision-makers both here and in the Department the material they need to judge the costs of services and products that the Department provides.

Finally, in the area of policy oversight and planning, we are looking for resources to maintain financial information and standards under what we call our Financial Information Systems Vision and Strategy.

#### FINANCIAL INFORMATION SYSTEM

We are in the process of developing a financial information system for the Department and we need additional resources to maintain the standards that are going to be necessary to keep that system active and providing accurate, useful timely information for the Department, improving customer service, and using that cost information on a pilot basis to evaluate some of the fees, royalties, and charges that the Department imposes on some of its users.

#### WORKING CAPITAL FUND

Now, I would also, Mr. Chairman, like to briefly allude, as my colleague has, to the Working Capital Fund and talk about it just briefly.

The Working Capital Fund operates as a financing mechanism for administrative service centers that meet both USDA and other agencies' service needs. The Working Capital Fund is a revolving fund through which centrally managed service centers provide services to user agencies. These user agencies in turn reimburse these service centers for the costs of services provided.

Also, capital resources accumulated as a result of appropriations made in prior years allow USDA to finance the acquisition of large-scale capital assets for which the costs are recovered over the asset's useful life through depreciation charges.

Now, there are several advantages to the Working Capital Fund's financing mechanism. First, it allows users of Working Capital Fund supported services to take advantage of the economies of scale that come with centralized management. Second, services provided through the Working Capital Fund are made more affordable to smaller USDA agencies. And finally, the Working Capital Fund recovers the cost of capital acquisitions over their useful life, making the acquisition of large scale capital assets such as mainframe computers more economically manageable.

## NATIONAL FINANCE CENTER

The National Finance Center is USDA's largest Fund-supported activity. In addition to providing services to USDA, the National Finance Center provides many services to other Federal departments and agencies with payroll/personnel system representing the largest of these so-called cross-service systems. This payroll/personnel system exemplifies what I mean when I talk about declining unit cost. Let me explain.

## COST OF PAYROLLING AN EMPLOYEE

The annual cost for payrolling a single individual was reduced from \$111 in 1989 to \$101 in 1992, a 9 percent decrease. By fiscal year 1995, we expect to bring the cost of payrolling a single individual to less than \$100 per employee. These efficiencies, which we achieve in this and other areas as measured by the cost users pay for a unit of service, are a clear indicator of the success of the Fund.

## STUDY OF NFC

I also believe that more can be done to improve the efficiency of the NFC. Thus, in the past year, we have had an outside contractor perform a complete, intensive review. We are using this review to develop a five-year strategic plan for the National Finance Center that complements the plan I mentioned earlier. To implement the results of the study, we intend to enhance the National Finance Center's operational efficiency. And indeed we have been addressing many of the issues which led to the moratorium on additional cross-servicing by the National Finance Center.

## CROSS SERVICING

We are hoping to resume cross-servicing subject to resource constraints and the necessary consultations within a six- to eighteen month period. We believe that this is consonant with both the wishes of the Secretary, the objectives of the National Performance Review, and indeed the overall vitality of the Center as a competitor in the cross-servicing realm.

With that, Mr. Chairman, I would like to ask that my entire statement be entered into the record, and I would be happy to answer any of your questions.

Thank you.

[CLERK'S NOTE.—The biographical sketch of Mr. Williams appears on page 999. His statement appears on pages 1000 through 1009.]

Mr. DURBIN. Thank you, Mr. Williams. Your statement will be entered in the record. I would like to ask questions of both you and Mr. Townsend.

## HAZARDOUS WASTE MANAGEMENT

First, Mr. Townsend, there is a pretty substantial increase in the request for hazardous waste management. Can you give us some examples of where that money is going to be used and for what purpose in the next fiscal year?



Mr. TOWNSEND. Yes, Mr. Chairman. Our request is \$26 million, or \$10 million above the 1994 level. The funds will be used principally on sites where soil or ground water contamination has occurred from past disposal practices. This includes sites in Kansas and Nebraska where the Commodity Credit Corporation is working to ensure that safe drinking water is provided to small communities. It also includes funds to cleanup FmHA inventory properties so they can be resold. We have over 25,000 abandoned mine sites yet to be assessed, most of them in the Forest Service. One Forest Service problem where we will dedicate some engineering funds and initiate cleanup is at White King and Lucky Lass mines in Oregon.

We project the cost on that particular project to be pretty sizable, between \$20 and \$25 million. However, along with EPA and the State, we are pursuing a joint clean-up of that particular site.

Mr. DURBIN. What is the nature of that problem?

Mr. TOWNSEND. It is tailings from old mining operations that have been deposited on Federal and private lands. These tailings contain heavy metal that are leaching into nearby streams.

#### RESOURCE CONSERVATION AND RECOVERY ACT STATUS

Mr. DURBIN. The budget request included an increase of \$2,645,000 for the Resource Conservation and Recovery Act, RCRA. Activities under this program consists of complying with underground storage tank requirements. Regulations have been developed to establish specific timeframes for meeting these requirements. Tell us how many underground storage tanks, that the Department is responsible for, are in need of repair. What is the cost to fully comply with the Act and what is the timeframe to meet the requirements of the Act?

Mr. TOWNSEND. As of February 1993, the Department had removed, replaced, renovated, or upgraded approximately 2,250 underground storage tanks, UST's, out of a total inventory of 3,350 tanks. This total includes UST's that are regulated under either Federal RCRA regulations or under State regulations which may be more stringent or have broader coverage, such as heating oil tanks. By the end of fiscal year 1994, it is anticipated that most of the remaining identified tanks will be brought into compliance. A significant portion of the FY 1995 request is to fund cleanup of soil contamination and/or groundwater contamination at sites where leaking tanks have been identified. Except for the Farmers Home Administration and the Forest Service, all other USDA agencies plan to have their UST program completed by the end of 1996, prior to the established deadline of 1998. The FS plans to have all of their tanks in compliance by 1996, but cleanups may extend beyond this date. The FmHA will have a continuing program as long as new properties are obtained through foreclosure actions. The estimated cost to complete all currently identified work is about \$16 million.

Current plans and programs do not include meeting the same requirements for unregulated UST's. The recently completed Office of Inspector General recommends that heating oil tanks which are not currently regulated by either Federal regulation or by many States be included for upgrading. If this is done, the estimated cost and

the duration of the program would be greatly expanded. The recommendation is under consideration with regard to other high priority needs.

#### FEDERAL FACILITIES COMPLIANCE ACT STATUS

Mr. DURBIN. The Federal Facilities Compliance Act establishes that Federal facilities must comply with State environmental laws and could be obligated to pay fines and penalties for non-compliance. Provide a list of all USDA facilities that are not in compliance with State laws. Include in this list the project locations, the deadline for compliance, and the total cost of compliance.

Mr. TOWNSEND. I will provide a list of projects, by agency, that are included in our 1995 budget request for the record. All projects in the listing have been identified as Class I which includes categories such as projects where compliance agreements have been signed, projects where notices of violation have been issued, or projects where a standard has been established and the deadline for compliance has passed. I will also provide a second listing which includes all of the projects noted above, but also includes additional projects which may not be in compliance by 1995.

[The information follows:]



List of USDA Facilities Requiring Cleanup  
Under RCRA or CERCLA

<u>RCRA</u>	<u>Agency</u>	<u>Location</u>	<u>Type</u>	<u>Est. Cost</u> <u>\$ (000s)</u>	<u>Status</u> <sup>2</sup>	<u>Projected</u> <u>Completion</u>
RCRA	APHIS	Ames, IA	UST	\$ 175.0	P	1994
		Whiteville, NC	UST	135.0	P	1994
		Pocatello, ID	UST(M)	32.0	U	1994
		Rocktavern, NY	UST	105.0	P	1995
		Niles, MI	UST	25.0	P	1995
		Key West, FL	UST	\$ 26.0	P	1996
		APHIS subtotal		\$ 498.0		
	SCS	Fairbanks, AK	UST	95.0	U	1994
		Tucson, AZ	UST(L)	105.0	U	1994
		Lockeford, CA	UST(L)	117.0	U	1994
		Los Banos, CA	UST(A, L)	225.0	U	1995
		Meeker, CO	UST	22.0	U	1994
		Plant Materials Centers	UST	360.0	U	1995
		Beltsville, MD	UST	40.0	U	1995
ARS	ARS	Bridger, MT	UST	40.0	U	1995
		Randolph, UT	UST	20.0	U	1995
		ARS subtotal		\$ 1,024.0		
		Albany, CA	UST	202.0	U	1995
		Georgetown, DE	UST	135.0	P	1996
		Newark, DE	UST	210.0	U	1996
		Charleston, SC	UST(L)	160.0	U	1997
		South Atlantic Area	UST	250.0	U	1998
		Midwest Area	UST	960.0	U	1997
		Beltsville, MD	UST	6,500.0	U	1998
		Las Cruces, NM	UST	35.0	U	1995
		Plum Island, NY	UST	625.0	U	1996
		El Reno, OK	UST	15.0	P	1995

Agency	Location	Type <sup>1</sup>	Est. Cost \$ (000s)	Status <sup>2</sup>	Projected Completion
CERCLA	Wyndmoor, PA	UST	150.0	U	1996
	Brookings, SD	UST	10.0	U	1995
	Beckley, WV	UST	100.0	U	1996
	ARB subtotal		\$ 9,352.0		
	RCRA subtotal		\$10,874.0		
ARS	Shafter, CA	I/R	\$ 1,000.0	N	1996
	Riverside, CA	120(h)	75.0	U	1995
	Ames, IA	PA/SI(M)	NA <sup>2</sup>	U	1994
	Beltsville, MD	NPL(M)	12,000.0	U	1999
	East Lansing, MI	Removal	160.0	U	1996
	Clay Center, NE	PA/SI(M)	425.0	U	1995
	Honolulu, HI	120(h)	45.0	U	1995
	Cheyenne, WY	PA/SI	60.0	N	1995
	Plum Island, NY	I/R	5,000.0	U	1998
	Delaware, OH	PA/SI(M)	70.0	U	1995
	ARB subtotal		\$18,835.0		
CCC	Agenda, KS	PA/SI	100.0	P	1995
	Agra, KS	PA/SI	100.0	U	1995
	Bendena, KS	PA/SI	NA	U	1995
	Frankfort, KS	PA/SI	100.0	P	1996
	Hackney, KS	I/R	2,350.0	U	1999
	Leoti, KS	I/R	2,300.0	P	1996
	Morrill, KS	I/R	2,350.0	P	1999
	Navarre, KS	I/R	2,500.0	U	1997
	Perry, KS	PA/SI	100.0	P	1996
	Plainville, KS	I/R	2,500.0	P	1999
	Powhatten, KS	I/R	2,300.0	P	2000
	Potwin, KS	PA/SI	133.0	U	1995

Ramona, KS	PA/SI	100.0	P	1996
Randall, KS	PA/SI	100.0	P	1995
Adams, NE	I/R	2,100.0	U	1999
Aurora, NE	I/R	2,352.0	U	1999
Bruno, NE	I/R	1,902.0	U	1998
Clay Center, NE	PA/SI	200.0	U	1995
Cortland, NE	PA/SI	100.0	P	1995
Cortland, NE	I/R	2,472.0	U	1997
Deshler, NE	PA/SI	100.0	P	1995
Emerald, NE	I/R	2,300.0	P	2000
Funk, NE	PA/SI	100.0	P	1996
Gladstone, NE	PA/SI	100.0	P	1995
Hordville, NE	PA/SI	430.0	U	1995
Hubbard, NE	PA/SI	100.0	U	1995
Martell, NE	PA/SI	100.0	P	1996
Rising City, NE	PA/SI	NA	P	1996
Rushkin, NE	PA/SI	NA	P	1996
Shelby, NE	R	NA	P	2000
Tamora, NE	I/R	500.0	P	2000
Utica, NE	I/R	3,689.0	U	1998
York, NE	I/R	3,711.0	U	1998
	CCC subtotal	\$35,309.0		
FS				
Attached list	I/R	\$223,436.5 <sup>4</sup>	U <sup>5</sup>	-
	FS subtotal	\$223,436.5		
	CERCLA subtotal	\$277,580.5		
	GRAND TOTAL	\$288,454.5		

UST = underground storage tank; (L) = leaking; (A) = abandoned

R = remediation under CERCLA  
 I/R = Investigation (PA/SI) and remediation/removal (known contamination)  
 120(h) = Section 120(h) of CERCLA  
 (M) = Mixed waste site present

2 U = Underway, P = In planning phase, N = In negotiation phase

3 NA = cost estimate not yet available

4 Cost estimates are not yet available for most projects in the preliminary planning phase. See attached printout of projects.

5 Progress codes in the fourth column of the attached printout correspond to those used in OMB Circular A-106, namely:

- 1 = preliminary planning
- 2 = design
- 3 = construction in progress
- 4 = work ongoing
- 5 = completed
- 6 = discontinued
- 7 = deferred
- 8 = other
- 9 = continuous



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Project Name	State	Location	Prog. Code	Total cost Estim (\$M) compl
ALASKA HOMESTEAK MINE CLEANUP	AK	Chugach National Forest	1	150.0
CHOWN MOUNT/EAST POINT MINE CLEANUP	AK	Chugach National Forest	1	150.0
FALLS CREEK MINE CLEANUP	AK	Chugach National Forest	1	600.0
GRANTIE MINE CLEANUP	AK	Chugach National Forest	1	0.0 0998
JIMNEAU BOMB MINE CLEANUP	AK	Chugach National Forest	1	106.0
MCKINLEY MINE CLEANUP	AK	Chugach National Forest	1	450.0
MINERAL KING MINE CLEANUP	AK	Chugach National Forest	1	194.0 1094
OLSEN BAY RESEARCH SITE	AK	Chugach National Forest	4	0.0
CHUGACH NATIONAL FOREST CLEANUP	AK	Chugach National Forest	4	4.0 0 1094
STANBERRY POINT FUEL DUMP	AK	Chugach National Forest	4	38.5 0594
CHUGACH WASTE DISPOSAL	AK	Reg. Forst, Region 10	4	1,257.1 0993
CNF MINE/CANNERY SITES	AK	Reg. Forst, Region 10	4	10.0 1096
EL CAPITAN WORK CENTER SOLID WASTE	AK	Reg. Forst, Region 10	4	445.5 0991
KELAI LAKE WORK CENTER FUEL STORAGE TANKS	AK	Reg. Forst, Region 10	4	10.0 1096
HARGRETT HAY/SOLID COVE TRASH BURNER	AK	Reg. Forst, Region 10	1	0.0 1095
HISTY FLOOD BARGE FUEL TANK	AK	Reg. Forst, Region 10	1	1,406.8 0994
REGION WIDE LANDFILL AND SUP SITE DISCOVERY	AK	Reg. Forst, Region 10	4	544.0 0994
REMOVE ABANDONED VEHICLES FROM IN LANDS	AK	Reg. Forst, Region 10	4	10.0 1096
RELOCATE TRASH FROM FUEL TANKS	AK	Reg. Forst, Region 10	4	108.0 0995
SOLID COVE SHIP SITE CLEANUP	AK	Reg. Forst, Region 10	4	684.6 0996
THORNE BAY SOLID WASTE LANDFILL	AK	Reg. Forst, Region 10	4	15.5
CHITANNA AREA AID DISCOVERY PROGRAM	AK	Tongass N.F., Chatham Area	9	12.0 1094
INDIAN RIVER SOLID WASTE CLEANUP	AK	Tongass N.F., Chatham Area	4	10.0 1094
MENDENHALL RECREATION SITE CLEANUP	AK	Tongass N.F., Chatham Area	4	25.0 0694
HORTENSON ISLAND - YAKUTAT	AK	Tongass N.F., Chatham Area	4	10.0 0736
HARGRETT BAY/SOLID COVE FUEL SITE TANKS	AK	Tongass N.F., Chatham Area	4	0.0 0136
MERCURY CONTAMINATION - HUMP CREEK	AK	National Forests In Alaska	1	0.0 0136
MERCURY CONTAMINATION - HUMP CREEK	AK	National Forests In Alaska	1	0.0 1293
WELCH CREEK DISPOSAL - TALLADEGA CREEK	AL	National Forests In Alaska	4	0.0 0795
TUSKEGEE DUMP REMOVAL	AL	National Forests In Alaska	1	0.0 0997
BARITE MINE RECLAMATION	AK	Chachita National Forest	1	15.0 1294
CHOCTAH DUMP	AK	Chachita National Forest	1	0.0 1292
OCOC HAZMAT DISCOVERY	AR	Chachita National Forest	4	0.0 1293
OHACHITA HAZMAT DISCOVERY	AR	Chachita National Forest	1	13.0
ABANDONED COVERED TRASH DUMPS (3 SITES)	AR	Osark-St. Francis Nat Forests	1	80.0 0995
ABANDONED SOLID WASTE DUMP	AR	Osark-St. Francis Nat Forests	1	60.0 0994
ABANDONED SOLID WASTE DUMPS (5-SITES)	AR	Osark-St. Francis Nat Forests	1	0.0
ALDER GAP RUND DUMP SITE	AR	Osark-St. Francis Nat Forests	1	0.0
CASS CCC H/E SHIP	AR	Osark-St. Francis Nat Forests	1	0.0
CASS CCC HAZMAT	AR	Osark-St. Francis Nat Forests	1	0.0
CASS CCC PAINT SHIP	AR	Osark-St. Francis Nat Forests	1	0.0
CASS CCC PAINT DISPOSAL	AR	Osark-St. Francis Nat Forests	4	0.0 1293
COLUMBINE H.C. UST	AZ	Coronado National Forest	3	487.5
COR-FORST HAZARDOUS WASTE STORAGE BUILDING	AZ	Coronado National Forest	4	32.2 1194
COR Sabino Warehouse Remediation	AZ	Coronado National Forest	4	42.6 1096
Coronado HAZCHEM ID/Disposal	AZ	Coronado National Forest	4	80.0
MANSFIELD CANYON MINE SITES	AZ	Coronado National Forest	4	66.0
GRONON CREEK W.C. UST	AZ	Prescott National Forest	4	1,235.0
Golden Belt Mine	AZ	Prescott National Forest	4	280.1
ASHOTO SECQ NORTH LAB	CA	Angeleno National Forest	1	30.0 0992

[illegible]

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Project Name	Case	Location	Reg. Code	Total Cost (\$M)	Estim. (\$M)
REMOVAL OF UNDERGROUND GASOLINE STORAGE TANK	00	Rocky Mountain For 5 Rge Sin	4	0.0 1291	0.0 1291
REMOVAL OF UNDERGROUND GASOLINE STORAGE TANK	00	Rocky Mountain For 5 Rge Sin	4	0.0 1291	0.0 1291
REMOVAL OF UNDERGROUND GASOLINE STORAGE TANK	00	Rocky Mountain For 5 Rge Sin	4	0.0 1291	0.0 1291
MINE SITE INVESTIGATION--San Juan	00	Rocky Mountain For 5 Rge Sin	1	0.0	0.0
HAZARDOUS MATERIAL CLEAN UP	00	San Juan National Forest	1	15.0 1097	15.0 1097
APACHE/COLUMBIA M.C. FUEL SITE	00	White River National Forest	3	0.0 1092	0.0 1092
COLUMBIA & BAKER CO. CLOSED CYMR. DUMP RELIAB	00	National Forests In Florida	3	108.0 0595	108.0 0595
FORESTWIDE CLEANUP OF ILLEGAL DUMPS	00	National Forests In Florida	4	250.0 0793	250.0 0793
WATERWAY INVESTIGATION	00	National Forests In Florida	4	0.0 1293	0.0 1293
WATERWAY INVESTIGATION	00	National Forests In Florida	4	0.0 1293	0.0 1293
QUINCY OFFICE CHORDONAL SPILL	00	National Forests In Florida	4	36.0 1293	36.0 1293
QUINCY OFFICE OIL SPILL	00	National Forests In Florida	4	0.0 1293	0.0 1293
CH/CO HAZMAT DISPOSAL	00	Chattahoochee-Oconee N.F.	4	45.0 0994	45.0 0994
INVESTIGATION OF CLOUD LAKE/WHITE LAKE/PI	00	Chattahoochee-Oconee N.F.	1	0.0	0.0
NANCY/OWN LAKE WATERSHED ANALYST.	00	Chattahoochee-Oconee N.F.	1	130.0	130.0
ABANDONED LAND FILLS/MINES	00	Southern Region Region H	4	0.0 1291	0.0 1291
RE HAZMAT DISPOSAL	00	Southern Region Region H	4	0.0 0994	0.0 0994
RE JUST MONITORING	00	Southern Region Region H	4	150.0	150.0
BEAR VALLEY RIVER	00	Southern Region Region H	4	150.0	150.0
BIRTHDAY MINE SITE	00	Boise National Forest	1	130.0 1099	130.0 1099
Boise NF Ag/Cu/As/Hg Mine Removals	00	Boise National Forest	1	2,263.0 0902	2,263.0 0902
Boise NF Clinobab Mine Removals	00	Boise National Forest	1	2,232.0 0902	2,232.0 0902
Boise NF Polydenum Mine Removals	00	Boise National Forest	1	2,160.0 0903	2,160.0 0903
Boise NF Pb/Zn/Au Mine Removals	00	Boise National Forest	1	2,132.0 0900	2,132.0 0900
MISSOURI MINE AUDIT, ORE DUMP, MINE TAILINGS	00	Boise National Forest	4	443.0 0996	443.0 0996
HONKACH MINE AUDIT, ORE DUMP, MINE TAILINGS	00	Boise National Forest	4	443.0 0996	443.0 0996
RIVERSIDE CG - CERCLA CLEANUP	00	Boise National Forest	8	7,187.0 0596	7,187.0 0596
TALACHE MINE SITE	00	Boise National Forest	1	150.0 1295	150.0 1295
Carlson NF Ag/Hg Mine Removals	00	Boise National Forest	1	80.0 1099	80.0 1099
Carlson NF Ag/Hg Mine Removals	00	Boise National Forest	1	2,192.0 0901	2,192.0 0901
SEDERBERG MINE REMOVALS	00	Boise National Forest	1	0.0 1099	0.0 1099
Challis NF Ag/Hg Mine Removals	00	Challis National Forest	1	4,462.0 0993	4,462.0 0993
Challis NF Copper Mine Removals	00	Challis National Forest	1	2,365.0 0902	2,365.0 0902
Challis NF Polydenum Mine Removals	00	Challis National Forest	1	2,463.0 0903	2,463.0 0903
Challis NF Pb/Au/Zn Mine Removals	00	Challis National Forest	1	2,364.0 0902	2,364.0 0902
Challis NF Tungsten/Zn Mine Removals	00	Challis National Forest	1	2,406.0 0903	2,406.0 0903
Challis NF Uranium Mine Removals	00	Challis National Forest	1	2,163.0 0901	2,163.0 0901
Cypress Thompson Mine	00	Challis National Forest	1	50.0 0994	50.0 0994
PREACHERS COVE CYANTIDE LEACH FACILITY	00	Challis National Forest	1	894.0	894.0
Coeur d'Alene River Ba-In HRIA	00	Idaho Panhandle Natl Forests	4	2,302.9 0900	2,302.9 0900
Red Ives Mt. TUST	00	Idaho Panhandle Natl Forests	1	125.5 0894	125.5 0894
Silver Creek Mineral Impact Site	00	Idaho Panhandle Natl Forests	1	1,281.0 0999	1,281.0 0999
Silver Creek Mineral Impact Site	00	Idaho Panhandle Natl Forests	1	1,281.0 0999	1,281.0 0999
CINNAMON MINE SITE	00	Payette National Forest	4	1,722.5 1099	1,722.5 1099
Payette NF Clinobab Mine Removals	00	Payette National Forest	1	2,232.0 0900	2,232.0 0900
STORMITE MINE SITE - CERCLA DOCKET 9/91	00	Payette National Forest	2	4,755.2 0900	4,755.2 0900
THORN CREEK PENTA RELEASE	00	Payette National Forest	3	15.0 0994	15.0 0994
WARREN SOLID WASTE - LANDFILL	00	Payette National Forest	8	35.0 1093	35.0 1093
BAIDY MOUNTAIN #1, #2, & #3	00	Salmon National Forest	4	3.5 0794	3.5 0794
BLACEDD MINE	00	Salmon National Forest	4	4,972.8 1199	4,972.8 1199
SALMON #1 & #2	00	Salmon National Forest	4	11.2 1094	11.2 1094

Project Name	Fund Code	Region	Comp	Total cost (\$M)
KAND HARALS LANDFILL	IBI	Support National Forest	4	121.1 0996
HANZANUS WASTE DISPOSAL	IBI	Support National Forest	4	42.8 0995
IOWANIAN DUMP	IBI	Support National Forest	1	0.0 0995
HARTHURTHINS LANDFILLS	IBI	Support National Forest	4	30.5 0996
TOFTLE LAND FILL	IBI	Support National Forest	4	80.0 0996
GIMREHOUSE DISCOVERY	IBI	National Forest	4	0.0
BRODE HAZARDOUS DISPOSAL	IBI	National Forests In Miss	1	0.0 1293
WYATTS HAZARDOUS DISPOSAL	HS	National Forests In Miss	4	0.0 1293
ELKHORN Mine and MILL Site	HT	Deerhead National Forest	4	1,404.6 0998
Clark Fork River Basin MDA	HT	Beaverhead National Forest	4	125.9
Charter Oak Mineral Impact Site	HT	Melena National Forest	4	4,114.8 0995
Flat Mt LUST	HT	Kootenai National Forest	4	18.0 0995
Butte-Highwille Hill Site	HT	Lewis & Clark National Forest	4	134.8 0910
Minneapolis LUST	HT	Lewis & Clark National Forest	4	61.9 0994
Platin PS Rust Cleanup	HT	Lewis & Clark National Forest - Region 1	7	25.0
Hazardous Waste Storage / Regionwide	HT	Northrin Region - Region 1	1	800.0 1008
Hazwaste Impacts Site Discovery/Regionwide	HT	Northrin Region - Region 1	1	4,261.4 0910
Mineral Impact Site Removal/Regional Action	HT	Northrin Region - Region 1	1	7,350.0
Montana LUST Site Cleanup - Montana	HT	Northrin Region - Region 1	1	131.9 0996
MCP Studies for Mineral Impact Site	HT	Northrin Region - Region 1	1	5,969.0 0991
GRAHAM COUNTY LANDFILL	HT	National Forests In NC	1	15.0 1293
COC HAZMAT	HT	National Forests In NC	1	0.0
POLINEUP/FUNEST MINE	HT	National Forests In NC	1	0.0 0994
SCHENK CEC HAZMAT	HT	National Forests In NC	1	0.0 0994
SHAIN COUNTY LANDFILL	HT	National Forests In NC	1	15.0 0991
UNDERGROWN FIELD STORAGE TANKS - TUELANE	HT	National Forests In NC	1	0.0 0391
Nemo EOB Disposal Site	HT	National Forests In NC	2	100.0 1296
CHEMICAL DUMP SITE NO. 2	HT	Black Hills National Forest	1	10.4 1094
HERMIT LAKE UNDERGROUND PIET TANK	HT	White Mountain National Forest	3	38.0 0995
WATERVILLE VALLEY INCINERATION SITE	HT	White Mountain National Forest	3	0.0 0003
SHURE LODGE LUST	HT	Carson National Forest	4	147.7 1094
Chino Hazwadm To/Disposal	HT	Cholla National Forest	4	21.6 0991
Toto Canyon Dump Site	HT	Cholla National Forest	4	50.8 0793
SN DATZEN 10/10/94-1	HT	Cholla National Forest	4	55.4
REGIONHIDE GIST RECOVERY ACTIONS	HT	Lincoln National Forest	4	51.7 0994
REGIONHIDE CERCLA Discovery Projects	HT	Regional Forester - Region 1	04	850.0
Regionwide National Resource Damage Assess	HT	Regional Forester - Region 3	9	1,552.7
Regionwide PA/Sit's	HT	Regional Forester - Region 3	4	900.0
Regionwide RIFIS's or ELICA	HT	Regional Forester - Region 3	4	1,404.8
Regionwide Remedial/Removal Actions	HT	Regional Forester - Region 3	4	8,011.7
CENERY TRACT LEAD REMOVAL	HT	Santa Fe National Forest	1	0.5
Santa Fe HAZWDM ID/Disposal	HT	Santa Fe National Forest	4	10.4
TENORNO HME/PEDOS COMPGROUND RADMS	HT	Santa Fe National Forest	4	4,513.5 0692
BLANCHARD HAZWDM ID/Disposal	HT	Humboldt National Forest	1	160.0 1087
BUCKSTEIN MINE	NV	Humboldt National Forest	4	170.0 0793
BUCKSTEIN MINE	NV	Humboldt National Forest	2	882.9 1095
BUCKSTEIN MINE	NV	Humboldt National Forest	1	60.0 1098



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06/22/1994

Project Name	Job Code	Prog. Code	Total Cost (\$M)	Estim. (\$M)
PINE CREEK WET	WA	4	391.0	
PANOLE BASIN WET	WA	4	30.0 1191	
BARRE SOIL CONTAMINATION REMOVAL	WA	4	45.0 0993	
WIND RIVER HINE HAZARDOUS MATERIAL DISPOSAL	WA	4	31.0 0993	
WIND RIVER RS WST	WA	4	197.0 1191	
CASIMIAN HILL SITE CLEAN-UP	WA	4	225.0 0995	
FOREST HAZ WASTE CLEAN-UP	WA	4	149.0 0993	
HINCHIE HINE CLEANUP	WA	4	30.0	
HAZARDOUS MATERIALS REMOVAL	WA	4	463.0	
THANKSETT TANK WENT SITES	WA	4	158.0 0994	
ADMIN SITE FUEL CLEANUP	WA	2	1.0	
HOLDEN HINE PORTAL AND TAILINGS	WA	3	3,814.7	
INARTH VEHICLE WASH SHIP	WA	1	30.0	
SAMER KOMIS CLEAN UP	WA	1	71.0 1195	
STELLINO M.C. CLEANUP	WA	1	50.0	
CONSTRUCTION OF HAZ MAT'S STORAGE FACILITY	WA	1	12.0 0991	
Investigate chemical dump pit	WA	1	40.0 0000	
RECONSTRUCTION OF FUEL OIL TANK	WA	1	138.6 0892	
REGION-WIDE DISCOVERY	WA	4	1,145.0	
REGION-WIDE REMEDIAL DESIGN/REMEDIAL ACTION	WA	1	6,000.0	
REGION-WIDE REMEDIAL INVESTIGABILITY STUDY	WA	1	2,000.0	
REGION-WIDE SITE INVESTIGATION	WA	1	6,000.0	
DIS/PA FOR NICOLLET CLOSED SIF'S	WA	9	1,922.7	
LAKEAND SIF	WA	4	275.5 0995	
LAOMA SIF	WA	4	165.7 0996	
HAZARDOUS MATERIALS DISPOSAL	WA	4	16.2 1096	
ILLEGAL DIRPS CHECK	WA	1	8.8 0997	
ILLEGAL DIRPS CHECK	WA	1	47.5 0998	
ILLEGAL DIRPS GELBORN	WA	1	10.1 0997	
ILLEGAL DIRPS MARI	WA	1	9.8 0997	
ILLEGAL DIRPS POTOMAC	WA	1	9.0 0997	
ILLEGAL DIRPS ASON	WA	1	13.3 0997	
HINE SITE INVESTIGATION	WA	1	0.0 1092	
ABANDON GARRAGE WINE	WA	1	8.0 0894	
LARAHIE SHIP	WA	7	0.0 0890	
HINE SITE INVESTIGATION	WA	1	0.0 1094	
BASTONVILLE HINE INVENTORY	WA	1	105.0 0995	
BRANCHVILLE CORRECTIVE CENTER	WA	1	0.0	
CHP HAZARDOUS RESORT TANK REMOVAL	WA	1	0.0	
ESTATES TANK REMOVALS	WA	1	27.0	
Investigate site-Arden Shallow Pond	WA	1	85.0 1091	
INVESTIGATE SITE-Arden Shallow Pond	WA	1	0.0	
NEVER HAMPILL INVEST. AND REST.	WA	1	21.8 0000	
NEVER HAMPILL INVEST. AND REST.	WA	1	0.0	
NEVER HAMPILL INVEST. AND REST.	WA	1	0.0 0994	
RECONSTRUCT CLEANUP OF MINOR HAZMAT SPILLS	WA	1	0.0	
ROUND HILL PINES GAS TANK REMOVAL	WA	1	0.0	
ROUND HILL PINES TANK REMOVALS	WA	1	0.0	
SPONDER FINE STATION TANK REMOVAL	WA	1	0.0	

Code	Description
1	Preliminary Planning
2	Design
3	Construction
4	Work ongoing (non-construction)
5	Completed
6	Discontinued
7	Deferred
8	Other (discuss in project narrative)
9	Continuous

## SALARIES AND BENEFITS

Mr. DURBIN. The Forest Service and other USDA agencies charge this account for salaries and benefits of staff hours devoted to hazardous waste management activities. Provide a table showing the amount charged to this account for these activities for fiscal years 1992 and 1993 and estimates for fiscal year 1994.

Mr. TOWNSEND. I will provide for the record a table that reflects the amounts for salaries and benefits of staff hours devoted to hazardous waste management activities in fiscal years 1992 and 1993. Estimates for fiscal year 1994 are not available. Prior to fiscal year 1994, agencies were not required to provide estimates of in-house staff time associated with proposed hazardous waste management clean-up activities. Consequently, this information was not available until the fiscal year closed. Now that management oversight of agency programs has increased, we are requiring agencies to provide this data. Our fiscal year 1996 will contain actual obligations for fiscal year 1994 and estimated obligations for fiscal years 1995 and 1996

[The information follows:]

Object class	Fiscal year 1992	Fiscal year 1993
Personnel compensation .....	\$3,241,000	\$2,626,000
Personnel benefits .....	636,000	573,000
Total .....	3,877,000	3,199,000

Due to the nature of the HWM account, an estimate of fiscal year 1994 cannot be provided. We have increased oversight significantly and are now requiring agencies, allotted HWM funds to provide a table reflecting salary and benefits. This information will be available starting in fiscal year 1996.



## PROGRAM ADMINISTRATION

Mr. DURBIN. This account receives a direct appropriation from which allotments are transferred to other agencies to carry out the actual work. The notes show a breakout of the deductions made. The allotment for program administration increases from \$80,000 in fiscal year 1993 to \$392,000 in fiscal year 1994. Why is there such a large increase for this allotment?

Mr. TOWNSEND. The increase is to provide for additional staff positions in response to an Office of Inspector General, OIG, audit. The purpose of these positions, which includes an Environmental Protection Specialist, Environmental Engineer, Contracting Specialist, and Industrial Hygienist is to provide oversight and technical assistance to USDA agencies in carrying out their Hazardous Waste Programs. These two areas were identified as weakness in the OIG audit, and this action has been taken to correct these concerns.

## UNOBLIGATED BALANCE

Mr. DURBIN. You show an unobligated balance of \$1,719,876 in fiscal year 1993. This is about 12 percent of the appropriation. What is the reason for this carryover of funds?

Mr. TOWNSEND. Of the total amount, \$1.1 million represents a contract awarded before September 30, 1993, but not recorded due to an administrative error. We have initiated procedures to avoid a recurrence of this error. An additional \$294,789 is attributable to a recovery of prior-year obligations that occurred too late in the fis-

cal year to re-obligate before the books closed. That amount has since been obligated. The remainder of \$325,087 represents a number of small contracts that were advertised, but not awarded prior to September 30, 1993. These contracts have since been readvertised and awarded.

#### GAO SUPERFUND RECOMMENDATION ACTIONS

Mr. DURBIN. The General Accounting Office, GAO, issued a report in July 1993 titled, "Superfund. Backlog of Unevaluated Federal Facilities Slows Cleanup Efforts." What were the findings and recommendations relating to USDA from this audit? What actions has the Department taken to address these findings and recommendations?

Mr. TOWNSEND. GAO report findings relating to USDA include: six of USDA's eleven facilities on the original docket did not submit preliminary assessments within the Superfund Amendment's and Reauthorization Act, SARA, 18-month time frame, which was April 17, 1988; as of July, 1992, all of USDA's 11 facilities had been assessed, but the EPA still had not evaluated three of these sites; the Forest Service and the Farmers Home Administration had not completed an inventory of all of their potential hazardous waste sites; and the Agricultural Research Service and the Forest Service have waited for more than a year for a response from EPA on 11 preliminary assessments they submitted. In the interim, USDA has continued investigation and cleanup work and anticipates even completing some cleanup before EPA makes listing decisions on its facilities. In a June 1992 letter to EPA, USDA requested a review

of its cleanup plans for these facilities. USDA acknowledged its awareness of EPA's resource constraints but expressed concern that EPA's lack of involvement could be problematic if a facility cleaned up by USDA is later listed on the NPL and EPA specifies a cleanup strategy that is different from what was done.

The GAO report contained included one recommendation. To establish accountability for progress on cleanup, they recommended that the Administrator, EPA, in consultation with other Federal agencies, develop a Superfund plan to address the backlog of unevaluated facilities remaining on the docket. This plan should specify the steps EPA will take to streamline the assessment and evaluation process; a schedule for completing Federal facility assessments and adding to the NPL those facilities that pose the greatest harm; and the level of priority and resources EPA plans to devote to this effort. This plan should be completed in time to be considered by the Congress during the upcoming superfund reauthorization.

With regard to the first finding, the USDA has completed the preliminary assessments, PA's, for the sites that were on the original docket. Of the 6 projects that were noted as being late with submission of assessments, PA's had actually been completed and submitted for 4 of these sites, but they had not been reviewed and approved by EPA which was GAO's criteria for having met the deadline. All USDA projects currently on the docket are in compliance with the 18-month deadline. For the third finding, the FmHA has completed assessments of about 80 percent of the properties they have in inventory, and the Forest Service plans to have their inventory of abandoned mines and sanitary landfills completed by 1996. In regard to the last finding and the recommendation, to our knowledge EPA has not prepared any plan and timely review and evaluation of USDA agency submittals by EPA is still a significant problem.

#### OIG AUDIT STATUS

Mr. DURBIN. The Department's Office of the Inspector General has two audits in progress, Hazardous Underground Storage Tanks and Audit Survey on Abandoned Mines. Briefly describe these audits and tell us the status of each.

Mr. TOWNSEND. The purpose of the underground storage tank, UST, is to review the Department's operations to determine if: USDA agencies were complying with Federal, State, and local regulations regarding USTs; agencies were making adequate progress in upgrading USTs in response to EPA's mandates; hazardous waste management funds were adequate and managed to enable agencies to meet UST regulatory requirements; and internal controls over USTs were adequate and enforced. The official draft of the audit report has been completed, and the Assistant Secretary for Administration has just completed the Departmental response to the OIG recommendations. The other ongoing audit is a survey of the Department's efforts in meeting the requirements of CERCLA and RCRA for mining activities. The survey is still in the data gathering phase.



## COMMODITY CREDIT CORPORATION

Mr. DURBIN. There is a current and proposed allotment of funds going to the Commodity Credit Corporation, CCC. There is a limitation on administrative expenses to use CCC funds for hazardous waste management activities. How are these funds different from the funds used under the CCC authority?

Mr. TOWNSEND. The Commodity Credit Corporation's hazardous waste management activities are funded through two sources: the CCC Revolving Fund, which includes appropriation language limiting the use of CCC funds to operations and maintenance costs only and requiring that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation; and the USDA Hazardous Waste Management appropriation managed by the Assistant Secretary of Administration for all other CCC hazardous waste management costs, such as site investigations, cleanup operations, etc.

The fiscal year 1995 appropriation request for the Commodity Credit Corporation fund includes a proposed increase in the fiscal year ceiling on CCC's hazardous waste management costs for operations and maintenance from the current ceiling of \$4 million to \$5 million.

The fiscal year 1995 appropriation request for the Department's Hazardous Waste Management program is \$26 million which includes a proposed \$4.105 million allotment to CCC for site investigation and cleanup costs at CCC related sites.

## SUPPLEMENT APPROPRIATION

Mr. DURBIN. Do agencies supplement, in any way, this appropriation with funds from their own appropriation?

Mr. TOWNSEND. Yes, in accordance with the Committee's previous direction, agencies are required to finance all projects less than \$25,000 with their own appropriations. Agencies are also required to finance all operation and maintenance activities with their own funds.

## FMHA CLEANUP COST RECOVERY

Mr. DURBIN. I understand the Farmers Home Administration FmHA, has identified the need to cleanup hazardous waste on properties obtained through foreclosures and that efforts are underway to try and recover these costs from responsible parties. Would you describe for us the steps that are being taken to recover these costs and tell us how successful they have been.

Mr. TOWNSEND. At this time, the Farmers Home Administration has no sites where a borrower has been identified as a Potentially Responsible Party, PRP, with assets available for a cost recovery. Since these properties have been obtained because of non-payments on the loan, the Agency has not pursued a direct cost recovery for the expenses incurred for the cleanup of hazardous wastes on inventory property. In these cases, the PRP simply would not be a viable party with respect to providing the funding to complete the work. The Agency will pursue cost recovery if it appears that such an action is practical. In the event a cost recovery action is pur-



sued, the FmHA will follow the requirements established by CERCLA and the National Contingency Plan.

#### CLEANUP ACTIONS REQUIRED ON FMHA PROPERTIES

Mr. DURBIN. How many foreclosures in FmHA inventory require cleanup action and what is the cost to comply with the law?

Mr. TOWNSEND. About 320 properties of the 3,000 in inventory are currently undergoing some level of cleanup. It is estimated that about 80 percent of the current inventory properties have been evaluated for the presence of a release of hazardous substances. The FmHA is planning to release regulations regarding the management of hazardous substances in the summer of 1994. These regulations will require that all inventory properties be evaluated, particularly prior to transfer of the property. The FmHA has about 3,500 accounts with foreclosure actions pending. They plan to scrutinize these properties for the presence of hazardous wastes before finalizing a foreclosure action. It is very difficult to estimate future cleanups costs without having some idea of the number and the complexity of the work involved. However, a very rough estimate would be \$8 to \$10 million.

#### CLEANUP REQUIREMENTS

Mr. DURBIN. Do the properties have to be cleaned up before they can be resold?

Mr. TOWNSEND. For the most part, yes. CERCLA Section 120 (h) requires Federal agencies must ensure that: all remedial action necessary to protect human health and the environment with respect to any hazardous substance remaining on the property has been taken before the date of the transfer. The exception to this requirement is where the property is returned to the previous owners or operators who caused the contamination. These individuals are classified as "potentially responsible parties" and are liable under CERCLA for the cleanup cost related to releases of hazardous substances on their property. This situation would apply under FmHA's loan servicing program where a previous borrower is seeking leaseback/buyback rights. If it is determined that a previous borrower eligible for leaseback/buyback rights is a PRP pursuant to CERCLA then it is FmHA policy that the property will not be cleaned up by the agency, but that it is the responsibility of the previous borrowers.

#### USDA CLEANUP SITES

Mr. DURBIN. Two years ago, the Department provided the Committee with a list of all sites that have been identified for cleanup, the total cost involved, and the expected completion date. Would you please update this list for the Committee.

Mr. TOWNSEND. I will provide the updated list for the record. This includes the USDA agency sites that have been reported to date which have not been completed. It does not include all potential sites as the Farmers Home Administration and the Forest Service are still working on completing their inventory and assessment process.

[CLERK'S NOTE.—The list is too lengthy for reprint. A copy is retained in Committee files.]

#### FEDERAL AGENCY HAZARDOUS WASTE COMPLIANCE DOCKET

Mr. DURBIN. Assessments and/or investigations must be sent to EPA and State agencies for their review and approval. The last data that the Committee has is data as of February 5, 1993. This data showed that USDA had a total of 87 sites listed on the Federal Agency Hazardous Waste Compliance Docket. Would you tell the Committee what it means to have a site listed on this Docket? Has the number changed in the past year?

Mr. TOWNSEND. Listing a project on the Docket triggers the first of a number of actions under the CERCLA process. The first requirement is that within 18 months of listing, a preliminary assessment must be completed and submitted to EPA for evaluation. Subsequent actions are dependent upon the degree of contamination and the hazard ranking of the site. Additional requirements may include the need for a site investigation, a remedial investigation/feasibility study, record of decision and a remedial action, cleanup. If the site is of a non-NPL caliber, the agency works with the applicable State in determining the appropriate cleanup action. The USDA currently has 104 sites listed on the Docket. In addition, the USDA has 45 facilities listed as Site Evaluation Accomplished for which no further actions is planned under Superfund. The docket is a dynamic process, as new projects are added and others are completed.

#### CCC GRAIN STORAGE SITE STATUS

Mr. DURBIN. At last year's hearing. Mr. Hilty informed the Committee that as of January 1993, 75 former CCC grain storage sites had been identified by the EPA and/or State agencies as having carbon tetrachloride contamination in the groundwater. Of these, 34 sites were below the trigger level and no further action was needed. What is the status of the remaining 41 sites?

Mr. TOWNSEND. CCC updated all identified sites, including the 41 sites, in October 1993 when their revised technical action plan was completed. This plan identified a total of 94 sites where EPA and/or State agencies have indicated their is carbon tetrachloride contamination in the groundwater. This was an increase of 19 new sites since January 1993. Of the 94 sites, there are 17 sites in Kansas and 22 sites in Nebraska which have contamination levels greater than the maximum containment level, MCL, for carbon tetrachloride. These sites will require some type of containment and/or remedial action. There are 18 sites in Kansas and 36 sites in Nebraska which are below the MCL for carbon tetrachloride where no further action is needed. The CCC is investigating its responsibilities for one site in Iowa. For all identified sites interim water supplies have been provided, which include bottled water, granular activated charcoal units at point of entry, or connection to a rural water main, if there is no alternate drinking water supply.



## INFO SHARE

Mr. DURBIN. Let me ask you about the Info Share program. This is your attempt to consolidate the computer systems of the various agencies in the field. I read recently—and I can't recall where—that someone had discovered an effort within the Department to develop computers that, frankly, would not be able to communicate with one another.

Mr. TOWNSEND. They did it on purpose?

Mr. DURBIN. I don't know if it was done on purpose, but that was the net effect of it. I assume that this Info Share program is an effort to avoid that possibility and try to make sure that there is a coordinated computer effort within the Agency; is that correct?

Mr. TOWNSEND. That is correct, Mr. Chairman.

## LIFE CYCLE OF INFO SHARE

Mr. DURBIN. What is the total cost of this Info Share undertaking?

Mr. TOWNSEND. We project a total cost to be approximately \$1.2 billion.

Mr. DURBIN. And you are asking for \$90 million this year?

Mr. TOWNSEND. That is correct. This is a \$61.5 million increase over 1994.

Mr. DURBIN. What is the time frame for your completion of this?

Mr. TOWNSEND. We will have the fundamentals of Info Share in place by the end of fiscal year 1996. However, it will not be completed in terms of the full migration to new technology until 1999.

[Additional information follows:]

The total life cycle cost of the Info Share Program, for fiscal years 1993 through 1999, is approximately \$1.2 billion. Implementation will be completed in various phases during the life cycle. At the end of fiscal year 1999, the Info Share Program will reach closure, with continuing maintenance and support activities being provided by a permanent organizational entity yet to be determined.

Mr. DURBIN. This project has been receiving funding since fiscal year 1993. Where has this funding come from? Provide a table showing a breakout of where this funding has come from for fiscal years 1993 and 1994.

Mr. TOWNSEND. The funding has come from the Info Share partner agencies. I will provide a table showing the distribution for the record. Please note that since the Explanatory Notes were published, additional Info share funded projects by FCIC and FmHA are included for FY 1993. These had been misclassified as agency specific work.

[The information follows:]

## INFO SHARE FUNDING FISCAL YEARS 1993–1994

[Dollars in thousands]

Agency	Fiscal year 1993	Fiscal year 1994
ASCS .....	\$3,261	\$9,281
FmHA/RDA .....	5,819	10,017
SCS .....	827	9,112
FCIC .....	2,128	100
ES .....	123	
Total, Info Share .....	12,158	28,510

Mr. DURBIN. And what is the life span of the system?

Mr. TOWNSEND. Mr. Chairman, technology changes so fast these days. We are giving the life cycle on the hardware in particular and software 7 to 10 years.

#### TECHNOLOGY CHANGES

Mr. DURBIN. That is a fact of life when dealing with technology change. No sooner do we buy something that is state of the art, than we find out that it is yesterday's or last year's model. Things change so rapidly. How do you build that factor into the decision on what you purchase and the flexibility you need to change as technology changes?

Mr. TOWNSEND. Well, from a hardware and software standpoint, you want growth capacity. You build systems or create architecture that has growth potential so that you can add on to it in terms of capacity, speed, and software compatibility. You really do have to plan for it and you do it through architecture.

#### IMPACT OF INFO SHARE

Mr. DURBIN. Tell us what the practical impact of Info Share will be in terms of the various agencies future requests for computer systems, both hardware and software?

Mr. TOWNSEND. We project that the requests from the agencies will be lower in that we have a consolidated procurement method through our Trail Boss system granted to us through GSA. The projection, in savings, is more than a billion dollars over the life cycle, through this consolidated Info Share procurement method, and these systems will be able to talk to each other.

#### APPROPRIATED DOLLARS FOR ADP PURCHASES

Mr. DURBIN. When will we see this occur?

Mr. TOWNSEND. Purchases for capital investments by the main partners agencies have already begun to decrease and are expected to total \$49 million in fiscal year 1994, \$34 million in fiscal year 1995, \$17 million in fiscal year 1996, \$12 million in fiscal year 1997 and \$10 million in fiscal year 1998. Each Info Share partners agency will continue ADP expenditures in the future for maintenance of their existing legacy systems. This will include modification of existing application software required to support changes in legislation and/or regulations. Such expenditures will continue until all of those systems have been replaced through the Info Share program.

Mr. DURBIN. How much will each agency involved in Info Share spend on ADP purchases in fiscal year 1995?

Mr. TOWNSEND. Each Info Share partner will continue ADP expenditures for maintenance of the existing systems. These funds are included in agency budget requests. ADP purchases for the InfoShare program will be funded through the Departmental Administration appropriation for Info Share. I will provide the detailed information for the record.

[The information follows:]



## ESTIMATED OBLIGATIONS FOR AGENCIES' INFORMATION SYSTEMS

(Fiscal year 1995)

Budget category	ASCS	SCS	FmHARDA	FCIC
Capital Investments .....	\$23,244,000	\$7,306,000	\$3,417,000	\$743,000
Personnel .....	33,804,000	40,999,000	35,647,000	3,090,000
Equipment Rental, Space & Other Operating costs .....	6,797,000	2,803,000	3,426,000	308,000
Commercial Services .....	63,263,000	25,812,000	51,301,000	648,000
Other .....	21,085,000	17,234,000	24,970,000	9,636,000
Total .....	148,193,000	94,154,000	118,761,000	14,425,000

## STAFF YEARS ASSOCIATED WITH INFOSHARE

Mr. DURBIN. How many staff years are associated with the Info Share project? Is this number projected to increase?

Mr. TOWNSEND. The Info Share Program is currently allocated ten full-time equivalent positions under the Office of Information Resources Management to provide management, technical, and secretarial support. Another three positions are for procurement and financial and budget services in other offices. Approximately 150 to 200 people working on Info Share projects are permanent resources of the partner agencies and devote from 10% to 100% of their time on Info Share projects. The number of staff years required by the Info Share Program will increase as the program moves into full implementation in all field offices.

## IMPLEMENTATION OF INFOSHARE INITIATIVES

Mr. DURBIN. I read in the explanatory notes where implementation of the Info Share initiatives will require the participating agencies to combine their resources as they explore the short and long term solutions to the current computing problems of the Info Share agencies programs. Would you please explain this statement further.

Mr. TOWNSEND. As a partnership, the Info Share Program calls upon expertise from all of its agencies to address problems, issues and opportunities. Participation by agency staff members ensures that proposed solutions address the particular needs of each agency and meet overall Info Share program requirements. For example, some applications software will be used by all partner agencies and must be developed in concert. Some agency-specific applications software relies on data inputs from one or more other agencies and thus requires a cooperative development approach. Many future field office technology components such as telephone systems, local area networks and data storage devices will be managed for the mutual benefit of all partner agencies.

## STATE-WIDE TELECOMMUNICATIONS NETWORK

Mr. DURBIN. Describe, in further detail, the state-wide telecommunications network pilot program you have operating in Kentucky.

Mr. TOWNSEND. The purpose of the Kentucky pilot activity is to introduce technology into the field office in a controlled environment to determine the benefit of the technology in accomplishing the business of the USDA agencies. The pilot activity provides a

learning laboratory for all partner agencies in dealing with policy, procedures, and operational issues that accompany new technologies and the requirement for agencies to share technology.

Several technical pilot projects are planned. We will implement local area and wide area networking capabilities that will enable Info Share agencies to share information effectively. We will instill a consolidated system that will be used by all partner agency personnel within the field office. A video teleconferencing pilot will be tested in support of our training program. Office automation capabilities will be implemented in pilot sites in order to evaluate the benefit of this technology in a large work group setting.

#### SEVEN AREAS OF INFOSHARE

Mr. DURBIN. Info Share has been classified into seven areas. Would you briefly describe each of these areas.

Mr. TOWNSEND. Info Share initiatives are divided among core staff and six teams; business process analysis; data; application information systems; telecommunications; technical; and implementation.

Info Share core staff strategies include budget and accounting, project management tracking, security, and information dissemination.

Business process analysis strategies involve development and implementation of common approaches and methods for delivering program services. These strategies will improve the ways the Info Share agencies carry out their day-to-day work, especially in county offices, to meet the needs of its customers.

Data strategies involve development and implementation of a data administration framework and a common data base to support the Info Share agencies.

Application information systems strategies involve requirements, design, and development of applications, i.e. computer software, for the Info Share agencies to provide successful integration of Info Share operations.

Telecommunications strategies involve needs assessment, design, and implementation for such telecommunications services as local area networks, a wide area network, and consolidation of agency telephone systems.

Technical team strategies involve preparation of acquisition documents including Requests for Proposal and Requests for Information relating to Federal Information Processing resources. This team works with procurement officials to award and administer contracts for hardware, software and technical support services.

Implementation strategies involve deployment, installation, testing, trouble-shooting, and maintenance of equipment and software.

#### BUSINESS PROCESS ANALYSIS

Mr. DURBIN. Under the area of Business Process Analysis, seven business process strategies will accommodate changes required by legislation. Would you explain this in further detail.

Mr. TOWNSEND. The Business Process Analysis strategies will develop and implement consistent business procedures and standards among the partner agencies, reduce duplicate business practices and streamline day-to-day office procedures. An information strate-



gic plan, focusing on program delivery, is being developed to establish guidelines for future business process analysis. In addition, adoption of rapid development techniques for application software as well as data standards will accommodate the requirements of new legislation.

#### FAST TRACK PROJECTS

Mr. DURBIN. Currently, Info Share supports 12 Fast Track projects. Provide a brief description of each of these projects.

Mr. TOWNSEND. There are now 13 Fast Track projects.

The Common Client Name and Address Data Base provides one unique name and address file for all customers of the farm service, natural resources and rural development agencies.

The Bureau of Census Information System provides automated access to general and agricultural census data for use in program planning and administration.

The Geographic Information Systems Project provides computer-based maps and analysis tools for identifying common land units served by Info Share partner agencies and automated support for land planning, program compliance and other determinations.

The SCS Soils Information Attribute and Spatial Data system provides access to all Info Share agencies to soil characteristics at field sites and expands to include spatial soils data.

The Conservation Compliance System provides Sodbuster/Swampbuster information on highly erodible land and wetland determinations to farm service and rural development agencies.

The Farm Summary Information System automates access to ASCS and FCIC farm summary information for all agencies.

The Conservation Reporting and Evaluation System provides uniform electronic handling of data used by ASCS and SCS in administration of the agricultural conservation program (ACP).

The FmHA Acquired Property System enhances an existing FmHA tracking system to provide data required by ASCS, FCIC, and SCS and provides on-line access and ad hoc reporting capabilities to all agencies.

The SCS Soils Information for the PLANETOR System enhances an Extension Service planning tool with electronic access to soil attribute data to better serve customer needs.

The PLANTS Data Base Project provides taxonomy and plant information for use by Info Share agencies, its customers, researchers, and the public.

The FmHA Farm and Home Plans System enhances an existing FmHA system to provide more comprehensive client information and improved assessment of assets used to secure loans.

The ASCS/AMS Data Share Project demonstrates the value of business process reengineering with new automated systems and cooperation among the Info Share agencies. ASCS loan processing procedures for cotton classing data have been reduced from days to minutes.

The Natural Resources Conservation Planning System supports conservation program operations in co-located field offices.

## BELTSVILLE CONSTRUCTION

Mr. DURBIN. Let's talk about the anticipated changes in terms of the new proposal in GSA rental payments and buildings and facilities. You have alluded to them and I don't know if you want to speak on the record now as to what your plan is involving Beltsville, the South Building and rental payments on some other structures presently being used by the Department.

Mr. TOWNSEND. Mr. Chairman, I will be glad to disclose that—yes you are right, we do have a major plan contained in this year's request for 1995. The fiscal year request would support the construction of a facility in Beltsville that would accommodate about 1,500 employees and also allow us to move out of the 18 lease locations in the Washington metropolitan area.

## SOUTH BUILDING RENOVATION

The other portion of the request is to totally renovate the South Building, and I would like to bring to your attention the fact that the South Building has 2 million square feet of space. We hope to better utilize the space in the South Building, as well as improve physical safety and health aspects.

Construction on the South Building was begun in the late 1920s. It was completed in 1936. It is clearly outdated. Some of the original plumbing is still in place. Some of the electrical wiring is still the same. Fires are a possibility. This renovation allows USDA to consolidate into two basic areas, the four downtown complex buildings and the new Beltsville, Maryland, complex.

As of right now, we are located in 21 different locations in the Washington area and it is our intention to be consolidated into two places. Efficiencies will be gained by being in close proximity. Some agencies are currently in three different locations in the Washington area. I know they would find it most beneficial to all be in one place.

## SEQUENCE OF EVENTS

Mr. DURBIN. Describe, in general terms, the sequence of events as we move first to the construction of the building at Beltsville. What impact will this have on rental space in the area and ultimately the timetable for the renovation of the South Building?

Mr. TOWNSEND. All right. In terms of the rental costs in the area, the impact as we move out to Beltsville—are you talking about commercial space?

Mr. DURBIN. Yes.

Mr. TOWNSEND. I believe the effect will be minimal. We are talking about 350,000 square feet. We know also that there are other movement facilities planned for the Washington metropolitan/suburban Washington, and some of those facilities, are for as much as a million square feet. So we feel that our particular project's impact on commercial space may not be that strong.

Mr. DURBIN. From the other perspective, though, I am trying to put on the record here the sequence of events that you have planned. If I understand it, the first sequence is the construction of the building at Beltsville.

Mr. TOWNSEND. You are correct.



## BELTSVILLE FIRST

Mr. DURBIN. How is that building going to be used and how are you going to phase in the renovation of the South Building?

Mr. TOWNSEND. The first thing that we would do is build, out in Beltsville, space adequate to house up to 1,500 employees. We are still in the analysis phase of what agencies will go to Beltsville. We are hoping to minimize moves. In other words, if we can move someone out to Beltsville on a permanent basis, we will do that to avoid having to move them back to another location in the South Building.

One of the first things we would do is look at expiring leases in the area. We will have to accommodate enough people out of at least one wing of the South Building to begin the renovation.

Mr. DURBIN. So the South Building will not be totally vacated at any point.

Mr. TOWNSEND. That is correct.

## PHASED RENOVATION

Mr. DURBIN. And you are going to phase the renovation there with some people in the South Building going out to Beltsville for a period of time while their section is being renovated.

Mr. TOWNSEND. That is correct.

Mr. DURBIN. What is the overall timetable for this operation?

Mr. TOWNSEND. We estimate eight years, and we feel that that is optimistic. It is—but it is certainly doable by our estimates and our analysis.

## BELTSVILLE PLANS

Mr. DURBIN. Has the planning and A&E work been done for the Beltsville building?

Mr. TOWNSEND. No, it has not.

Mr. DURBIN. How soon do you expect it to be finished?

Mr. TOWNSEND. We are completing the environmental impact statement. We hope that it will be completed this fall, and it may have implications with regard to engineering and design.

[Additional information follows:]

An environmental assessment of a site at the Beltsville Agricultural Research Center was completed in October 1992, and an archeological investigation was completed in May 1993. As required by the National Environmental Policy Act, an architect-engineering firm is presently preparing an Environmental Impact Statement to review two alternative sites for the office facility, also at the Beltsville Agricultural Research Center. We intend to begin preliminary design work in FY 1994 and to begin actual design work for the facility at the selected site after the EIS is completed in November 1994.

Mr. DURBIN. What is the cost to do this preliminary work? What is the timeframe for this work to be complete? When do you estimate you will break ground?

Mr. TOWNSEND. The planning and design work for the new Beltsville facility is expected to cost about \$3.6 million. This does not include previous project development activities, an environmental assessment, and an archeological investigation done in prior years.

We intend to complete design by June 1995 and actually break ground in the summer of 1995.

Mr. DURBIN. For the record, provide a complete chronological breakout of this project from start to finish.

Mr. TOWNSEND. I will provide for the record a chronological breakout of this project.

[The information follows:]

#### BELTSVILLE OFFICE FACILITY PRELIMINARY SCHEDULE

Award design-phase contract, September 1994.

Complete environmental impact statement, November 1994.

Award construction-phase contract, fiscal year 1995, June 1995.

Award remainder construction, fiscal year 1996, October 1995.

Complete office facility, August 1996.

USDA agencies occupy facility, September 1995.

Mr. DURBIN. Will the building at Beltsville be the property of USDA or GSA?

Mr. TOWNSEND. It will be USDA property.

#### SOUTH BUILDING SAFETY

Mr. DURBIN. It is my understanding, and you have alluded to it at several points in your testimony, is that there are some genuine concerns about the South Building and the safety of the employees in that building. Those have been brought to my attention and we have shared several meetings with GSA in discussing the future of the South Building.

I think we are all of the same mind, that the safety of the people working at USDA is our primary concern. Also, we think that we can make a safer working environment for them and save money in the process by consolidating operations and using the Beltsville campus.

I think what we have come up with, through a cooperative effort here, is a good one and I also want to put on the record my gratitude to the General Services Administration. GSA demonstrated the kind of flexibility which I think is needed as we deal with new Federal challenges.

Mr. TOWNSEND. I would like to echo your comments regarding GSA, Mr. Chairman.

#### SOUTH BUILDING MODERNIZATION

Mr. DURBIN. The budget request also includes an increase of \$9,235,000 to design a modernization program for the South Building. What is the total cost of this renovation estimated to be?

Mr. TOWNSEND. Our preliminary estimate for this renovation is \$237,847,000. In addition, we estimated that \$24 million will be needed for systems furniture. The \$9,235,000 request in FY 1995 will be used for the architect-engineer services to accomplish the conceptual design and project development for the entire South Building modernization program, and for the full design of Phase I of the modernization. We are proposing to phase the actual renovation over a seven year schedule, and to fund the design and construction for each phase incrementally between FY 1996 and 2002.

Mr. DURBIN. Provide a complete chronological breakout of this project from start to finish as well.



Mr. TOWNSEND. I will provide for the record a complete chronological breakout of this project.

[The information follows:]

#### SOUTH BUILDING MODERNIZATION PRELIMINARY SCHEDULE

January 1995, Award A/E contract (fiscal year 1995).  
 September 1996, Relocate wings 3 and 4, Award Phase I construction contract (fiscal year 1996).  
 September 1997, Backfill wings 3 and 4, Complete Phase I.  
 September 1997, Relocate wings 1 and 2, Award Phase II (fiscal year 1997).  
 April 1998, Award Phase III (fiscal year 1998).  
 October 1998, Backfill wings 1 and 2, Complete Phase II.  
 October 1998, Relocate wing 5, Award Phase IV (fiscal year 1999).  
 June 1999, Complete Phase III.  
 October 1999, Backfill wing 5, Complete Phase IV.  
 October 1999, Relocate wing 7, Award Phase V (fiscal year 2000).  
 October 2000, Backfill wing 7, Complete Phase V.  
 October 2000, Relocate Headhouse, Award Phase VI (fiscal year 2002).  
 October 2001, Backfill Headhouse, Complete Phase VI.  
 October 2001, Relocate wing 6, Award Phase VII (fiscal year 2002).  
 September 2002, Backfill wing 6, Complete Phase VIII.

#### GSA BUILDING DELEGATION

Mr. DURBIN. The Department has been operating the headquarters buildings without a signed delegation of authority with GSA since 1989. As a result, appropriation language has been included to allow the Department to retain funding for non-recurring repairs. The budget request proposes to eliminate this language under the assumption that, if Congress approves the strategic space plan, this authority would no longer be needed. If Congress were to go along with this plan, would the Department sign some sort of agreement with GSA? If so, what type of agreement would it be?

Mr. TOWNSEND. We have reached an agreement with OMB and GSA under which USDA will be given full responsibility and control over the four-building complex. With this agreement, a standard delegation of authority is no longer required. In return, USDA will not be required to pay rent to GSA for these buildings. These avoided rental costs will help fund the strategic space plan, which includes the modernization of the South Building and a new office facility in Beltsville, Maryland. Because the South Building will be undergoing this total renovation, we have determined that the need for separate non-recurring repair funding for the South Building will be reduced or eliminated during the renovation period. However, we anticipate the need to continue to perform non-recurring repairs in the other three buildings of the complex, the Administration, Annex and Auditor's Buildings. There may also be the need to perform emergency non-recurring repairs in the South Building. We will work with OMB and GSA and the Congress to ensure that USDA has the authority to continue to perform non-recurring repairs.

#### ELECTRONIC TRANSFER OF PAYCHECKS

Mr. DURBIN. Let me ask you about the National Finance Center and perhaps Mr. Williams would like to join in. Mr. Williams, you talked about reducing the administrative cost of paying Federal employees to a goal of \$100 per year. If I recall correctly, when Mr.

Skeen and I visited the Center last year we were told that there is a significant savings if you are able to transfer a persons' salary directly to a bank account as opposed to cutting a check and sending it through the mail. Is that not correct?

Mr. WILLIAMS. That is correct, sir. I believe—and I may be off by a few pennies—but I believe that the cost of an electronic transfer is around 35 cents and cutting a check and actually mailing a check is about a dollar more.

Mr. DURBIN. Can you tell me what the current percentage is at USDA between employees that are paid directly by electronic transfer as opposed to those who receive a check in the mail?

Mr. WILLIAMS. Well, sir, I believe the percentage, now at Agriculture is a little bit above 80 percent but that number has been increasing in large part due to the fact that we were able to move the settlement date for the checks—that is the date that funds are available—from a Wednesday back to a Monday, which gave employees in the Department a real incentive to go on electronic transfer. So, I hope to see that number improve, because it is a real cost savings for us.

Mr. DURBIN. What are the policy arguments over the question of mandating that all payment be made by electronic transfer?

Mr. WILLIAMS. Certainly, sir. There are many, many reasons for electronic transfer. In terms of improved internal controls, you lose a lot of that problem. EBT is a good example of that with FNS. Other kinds of check problems that we have read about and heard about would be eliminated by electronic transfer.

Mr. DURBIN. The point I am getting at is, what would be your reaction on the pros and cons of requiring every employee to be paid by electronic transfer and hard checks would no longer be cut by the Department?

Mr. WILLIAMS. Sir, I would be really just speculating right now, but my reaction would be quite favorable. As a matter of fact, I was down at the National Finance Center yesterday, and we were talking about this very matter in another venue in regard to our representations with the Thrift Savings Plan. This question came up, and I was asking myself, what can we do to really provide not just a carrot but a little bit of a stick to encourage transactions in this way.

Mr. DURBIN. I assume that someone would be concerned that an employee may not have an account to transfer to, or may have had an account closed because of some difficulty and then wouldn't know how they were going to be paid. I guess there is always that possibility.

Mr. WILLIAMS. That is correct, sir. I guess we would have to make some effort in the initial planning to distinguish those different categories where one actually has a choice and can make a selection. I think a little bit of pressure would probably be appropriate and in a situation where one doesn't have a choice, maybe look at a range of options to try to encourage them in another way. Maybe giving them—I am not sure what the options would be, but explore that.

Mr. DURBIN. Please give some thought to it as I am sure you have in creating incentives for employees to move toward electronic transfer. I might also add that Mr. Skeen and I, after visiting the



National Finance Center, thought about the possibility, the radical idea, that even Congress might do this for itself.

I broached the subject with some of the people around here and, as I understand it, one of the requirements is that there be two paychecks a month which is the current system at NFC for payment. Some employees here are paid on a monthly basis. That doesn't seem like an extraordinary change. Certainly it is something we could learn to live with.

#### PROTECTED SAVINGS OF ELECTRONIC FUNDS TRANSFER

I would like to try to work with you in projecting the savings of moving closer to 100 percent electronic transfer at your agency and the other agencies of government served by NFC. That is an item that seems to me fairly easy to do and save the taxpayers some money in the process.

Mr. WILLIAMS. We would be happy to provide you with the analysis when the information is available, sir.

[Additional information follows:]

The Department has taken a number of actions over the past few months to encourage the use of Direct Deposit for Federal salary payments, as endorsed by the National Performance Review. These actions have both increased awareness of the availability and the benefits of Direct Deposit, and resulted in increased participation rates in this program.

Last October, Secretary Espy issued a Secretary's Announcement to all employees promoting Direct Deposit within USDA. I also sent a memorandum to USDA Agency Heads asking for their support to increase USDA's Direct Deposit participation rate. The memorandum requested agency representatives to be designated to participate in a Direct Deposit campaign. A USDA Direct Deposit campaign was held during the first quarter of fiscal year 1994 during which USDA agencies promoted Direct Deposit within their respective agencies. A Government-wide Direct Deposit Sign-up Fair was held November 3, 1993, on USDA's Patio, co-sponsored by Treasury and USDA. In January of this year, USDA initiated and implemented a policy change to allow the availability of Direct Deposit salary payments to be made up to three days earlier than check payments. The policy change affects 450,000 USDA and client agency employees. Since the policy was announced, USDA's Direct Deposit participation rate increased 5 percent, to an 81 percent participation rate. An article highlighting the availability of Direct Deposit appeared in the January-February 1994 USDA News emphasizing the benefits of this program to the employee, USDA agencies, and the Federal government.

USDA is chairing a Chief Financial Officers' Electronic Funds Transfer Salary Workgroup addressing Government-wide Direct Deposit issues. USDA supports their recommendations and some have already been implemented. Most of the recommendations that have not been initiated require action by the Treasury Department.

#### CROSS SERVICING MORATORIUM

Mr. DURBIN. Tell me about the cross-servicing moratorium. When will it be lifted?

Mr. WILLIAMS. Sir, as you know, the cross-servicing moratorium has been in place for a few odd years now. And, as I alluded to in my statement, one of our first actions was to have the NFC, in reference to an independent study, develop a five year plan that addressed some of the needs pointed out in the study as well as some control issues that were pointed out by GAO.

With the hope that by prioritizing the control issues and resolving the most critical and material issues and having in place a plan for resolving the remaining issues, having in place a plan to deal with new technologies and the change in technologies that you dis-

cussed with Secretary Townsend—they apply certainly to financial systems as well—that with a plan in place, we could be assured that, subject to resource limitations and subject to the necessary consultations with the Secretary, with Assistant Secretary Townsend and the oversight agencies, we would be able to move back into cross-servicing in somewhere from six to eighteen months. And I hope the time will be on the shorter end as opposed to the longer.

Mr. DURBIN. How many agencies outside of USDA use the National Finance Center?

Mr. WILLIAMS. Sir, there are a whole range of smaller agencies. The big agencies are Department of Justice, Commerce, and Treasury.

Mr. DURBIN. I think most people would be surprised to learn that an agency of the USDA is actually handling the payroll and expense reimbursements for those major agencies of the Federal government.

Mr. WILLIAMS. That is correct, sir.

Mr. DURBIN. I might add that having visited the Center, Mr. Skeen and I left with a very positive impression. It is a very professional operation. The Center has, many times, successfully competed with private industry and demonstrated that they have the competence to bid on these projects. We learned a lot in our visit.

Mr. WILLIAMS. We are happy to see that you are pleased, sir. I know the Secretary has also been down there and is very committed to the Center. I think many people would be surprised that people would select an agriculture agency because it represents a real cost savings and it is something we are proud of in USDA.

Mr. DURBIN. As you should be.

#### NATIONAL FINANCE CENTER

Mr. DURBIN. What is being done to address the weakness in the ADP security program at the National Finance Center?

Mr. WILLIAMS. In 1992, OIG conducted an audit of selected aspects of computer security at the Center. The primary objective of the audit was to evaluate the Top Secret Software, TSS, the Integrated Data Base Management System, IDMS, the Security Access Code, SAC, and the security controls for selected applications. OIG identified 12 internal control weaknesses with the IDMS security controls. The auditors attributed many of these weaknesses to the need for better documentation and coordination between NFC organizational units and stated that security vulnerabilities existed that would allow unauthorized access and modification to sensitive systems.

Interim actions were implemented on all reported weaknesses which greatly reduced the identified vulnerabilities. In addition, final action has been taken on four of the twelve weaknesses identified by OIG. Also, OFM/NFC anticipates implementing corrective action on four weaknesses by October 1994 and the remaining four by December 1994.

During OIG's audit of the USDA's Fiscal Year 1993 Financial Statements, OIG reported that the ability to update payroll/personal subsystems at OFM/NFC was not limited to the minimum number of personnel who needed access to effectively perform their job responsibilities. Their review asserted that several OFM/NFC

programmers had unauthorized and/or unneeded update access to production data sets and online applications. However, OFM/NFC subsequently determined that no production data sets existed under the names for which the programmers had been given access. Furthermore, OIG stated that although OFM/NFC had designed controls to detect unauthorized an/or unneeded access, those controls were not operating effectively.

As a result of the finding, OFM/NFC reviewed and revised the update access authority for all programmers. Procedures were revised to require that requests for access authority be prepared in writing and approved by the resource owner. In addition, more frequent reviews of access authority will be performed on specific personnel.

Management has recognized the need to timely address all computer security problems. Therefore, it has allocated four additional full time equivalents, for fiscal year 1995, to the organizational unit responsible for addressing computer security issues. These additional resources should aid the OFM/NFC in addressing the need to improve overall security.

#### OUTSIDE CONTRACTOR

Mr. DURBIN. Mr. Williams, in your statement you mentioned that during the past year an outside contractor performed a complete review of the operations of the NFC. What were the findings and recommendations of this review?

Mr. WILLIAMS. I will provide a summary of the findings and recommendations of the Synex/Logicon Report on the National Finance Center as well as the current status of OFM/NFC's response to them for the record.

[The information follows:]



## **I. Background**

The U.S. Department of Agriculture's (USDA) Office of Finance and Management (OFM) operates the National Finance Center (OFM/NFC). The Director of OFM sought contractor assistance to analyze the need, cost, and benefits and to logically sequence a program of improvements to systems and the systems environment at the OFM/NFC which could be performed in a 2-year period. The significant expansion of the OFM/NFC customer base over the last several years, an aging software portfolio, and several recent audit reports addressing internal controls and security at the OFM/NFC prompted the Director of OFM to call for the assessment. In June of 1993, a contractor team comprised of Synex, Inc., and Logicon Fourth Generation Technology, Inc., was assembled.

The specific objectives of the assessment included:

- performance of an objective and thorough evaluation of the OFM/NFC operations, including four major application systems and the application development environment
- determination of major areas of improvement and amenable, cost-effective actions which could be accomplished in a 2-year period
- completion of the evaluation within a 90-day period
- preparation of a summarized report of the evaluation, findings, recommendations, cost/benefit analysis, and suggestions for computer usage improvements.

## **II. Methodology of Assessment**

The methodology used can best be described as a customized approach concentrating on partnership. The contractor team worked closely with OFM/NFC personnel throughout the process due to the need to have knowledgeable representatives involved in all phases of the



evaluation. In addition, OFM/NFC customer involvement was brought in to participate on key application related issues.

The process methodology included using a timebox technique for data gathering, analysis, evaluation, and target definition. Review of existing documentation, system demonstrations, surveys, and joint requirements discussion sessions were accomplished. Conclusions and corresponding recommendations were derived from the data gathered. Cost/benefit analysis was applied to appropriate recommendations. Proposed project plans and schedules were developed. An all inclusive project document was prepared and presented to OFM as a decision package for management. The evaluation period occurred between June and September 1993. The final report was submitted in mid-November 1993.

### III. Conclusions

The conclusions presented by the contractor team can be summarized into three categories: managerial, applications, and technical.

#### Managerial

There were four major conclusions drawn in this area.

The organizational structure of the OFM/NFC focuses on process and functional specialization. This type of structure can diffuse focus and urgency. Since systems development and, in some cases, operational support span several organizations, there is no single point of responsibility for many projects.

Some OFM/NFC users have ongoing, active communications channels, user groups, and involvement in decision-making on issues affecting them. Others do not have this level of communications.

USDA headquarters in Washington has executive ownership of the administrative processes represented by OFM/NFC systems. Top management needs to remain aware of their leadership and coordination roles and take effective and timely action on policy matters. In some cases, partnerships are not fostered to accomplish joint needs. Roles and responsibilities need to be clarified, and OFM needs to work with the stakeholders to determine operational policy and then system requirements.

OFM/NFC's training program does not sufficiently emphasize continuing educational development. While OFM/NFC's initial training programs provide sufficient entry-level skills, additional emphasis needs to be placed on skill development throughout the career.

## **Applications**

Four major application systems, Payroll/Personnel, Accounting and Reporting, Billings and Collections, and Administrative Payments, were evaluated. They were found to be in various states of efficiency, quality, and readiness. In general, all of the major systems have a backlog of improvement needs with some systems being in greater need of repair and modernization.

## **Technical**

The OFM/NFC's application software development environment was found to be a mixture of new hardware and old software and software development techniques. The practices and systems were found to be mostly effective but possibly not as efficient as they could be.

The contractor team found some OFM/NFC application software still requiring extensive manual processing. Additional integration and the use of modern, user-friendly techniques were identified as a means of facilitating customer utilization of the systems and access to data in these systems.

It was felt that OFM/NFC does not currently apply extensive use of techniques and tools associated with a software engineering environment. In the eyes of the contractor team, OFM/NFC has the potential to be a showcase government computer center but must significantly modernize techniques and tool utilization to best improve efficiency.

The contractor team believed that OFM/NFC could greatly benefit from improved application documentation and configuration management. Along with the appropriate technique and tool utilization, this would bring significant efficiencies to the program maintenance process.

Assessment findings indicated that the published development methodology is frequently not formally adhered to and has not been updated to reflect newer concepts being utilized.

## **IV. Recommendations**

The contractor team presented many recommendations for the consideration of OFM management. The following is a brief summary of those recommendations.

### **Organizational Change**

OFM/NFC needs to embrace a process to manage change. A road map needs to be developed for developing processes, management skills, and technical knowledge to provide the framework for future change.

OFM/NFC needs to focus organizational change around three key concepts. First, there needs to be defined a clear area of responsibility and accountability for projects. Work teams should be organized along project lines, especially for development activities. Second, it will be important to separate maintenance and development teams in order to focus efforts and resources and to develop the appropriate skills in each area as quickly as possible. Third, OFM/NFC needs to

expand its current long-term planning process to include information systems planning (inclusive of architecture planning for the information systems infrastructure for such tasks as acquisition, transition, and implementation).

### **Software Development Methodology**

OFM/NFC needs to update its published development methodology to include all processes now being followed. Then, appropriate training on the methodology can be undertaken.

While adherence to the methodology was the strongest single recommendation made by the contractor team in this area, two additional recommendations were made. An added emphasis on quality assurance throughout the life cycle needs to be an area of focus when updating the published development methodology. In addition, it was recommended that a business process improvement step be added to the life cycle methodology and applied to all development projects.

It was recommended that all application software be placed under configuration management and a scheduled release process. Presently, new systems and software changes of some systems fall under formal configuration management and a software release process.

As part of the quality assurance process, it was recommended that formal, integrated regression test cases be developed and implemented for all major systems.

Internal restrictions on developers in the areas of security and access to compilers warrant a review. Possible productivity improvements could be gained through changes in these areas but risks must first be assessed.

It was recommended that a certification plan and schedule be developed and published. It was suggested that an experienced contractor could be brought in to accelerate the certification and ADP audit processes.

### **Training, Skills, and Experience**

Recommendations in the area of training focused on two directions, training and skills of the internal staff and training for external users.

It was recommended that OFM/NFC's internal training program be modified to emphasize continuing educational development. This emphasis needs to be especially focused on developer and analyst personnel. Also, it was suggested that OFM/NFC give stronger emphasis to hiring persons with college degrees in computer information systems or related fields.

Training for external users needed to be examined in terms of improving quality, quantity, and timeliness of the training. Increased use of online and self-help training was suggested. Also, increased use of training data bases was seen as a benefit to training external users.

## Documentation

The contractor team recommended that OFM/NFC improve both system documentation and user documentation. Improvements in internal system documentation would benefit maintenance efforts. Stricter enforcement of directives which address documentation would preclude this problem from recurring.

The quality of user documentation was found to vary from system to system. Older systems seemed to suffer from the poorer documentation. Recommendations on user documentation centered on continuing and accelerating the documentation update schedule.

## Applications

Recommendations pertaining to application systems were concentrated in several groupings.

- Reduce or Eliminate Manual Processing Steps

Many of the individual application systems improvement recommendations contained a central theme of eliminating manual processing steps. There are significant costs to OFM/NFC users associated with the high reject rate inherent in these manual processes. While OFM/NFC has made significant strides in recent years to promote automated processing, more opportunities remain. Examples of opportunities include expanded use of PC-based front-end systems, greater use of online data entry applications, and use of electronic data interchange for billing and payment related transactions with vendors. Seven specific application recommendations were made which forecasted an estimated 5-year savings of in excess of \$15 million. However, it was noted that some of the improvement recommendations will require policy or technology decisions to be implemented.

- Replace the Central Accounting System Components with a Commercial Off-the-Shelf (COTS) General Ledger Package

The contractor team recommended that OFM/NFC cancel its proposed general ledger and Financial Information Reporting System rewrite projects and concentrate those resources in support of the Financial Information System Vision (FISVIS) project to acquire a (COTS) General Ledger solution for USDA.

- Improve Access to Data and System Functions

OFM/NFC was found to have placed continuing emphasis on improving user data input and access but has not kept pace with users' requests for detailed data and flexible report generation. Seven specific projects were identified to address these concerns.

- Improve System Integration and Functionality



While achievement of true integration of the large-scale applications operated at the OFM/NFC fell outside of the time-frames of this project, the contractor team did recommend several projects to improve functional usefulness. Examples of these recommendations include development of a common vendor file for administrative payments, automating distribution of accounting classification codes to users, and development of a common address file.

### **Technical and Tools Environment**

There were several recommendations made in this area.

- Development of a comprehensive Data Base Conversion Plan

From a strategic viewpoint, the contractor team's foremost recommendation was to develop a comprehensive plan to convert IDMS applications to DB2. Development of such a plan would provide a clear strategic direction and a logical basis for systems integration.

- Selection and Use of Development Toolset

OFM/NFC was found to have a good set of tools for DBA maintenance and code debugging, analyzing, and restructuring. However, tools supporting application analysis and design were found to be lacking. Therefore, it was recommended that OFM/NFC incorporate and enforce the use of selected tools in the system design and development steps of the life cycle.

- Expand Desktop Computing Environment

It was recommended that expansion of the current desktop computing environment be addressed in order to take advantage of modern automation and software engineering tools.

- Pilot Document Image Processing

A 1990 study projected almost \$4 million in savings from the implementation of document image processing at NFC. A pilot project was recommended to explore the potential rewards of cheaper and better technology than what was available at the time of the study.

- Implement Alternative Data-Storage Devices

Based on the recent and the anticipated continued growth in online data processing, the contractor team felt that exploration of alternative data-storage devices could yield significant savings at a minimal impact on service responsiveness. It was recommended that a tiered storage media facility be pursued.

## V. Status

There has been some significant progress to-date. The following is a brief summary of the current status.

### Managerial

To most immediately address the issue of diffused focus and urgency relating to projects crossing organizational boundaries, a Project Management Office reporting to the OFM/NFC Director has been established. In addition, a comprehensive Strategic Planning process is underway which will address all Synex/Logicon recommendations as well as critical CFO program issues.

In the area of customer communications, OFM Headquarters and OFM/NFC have made concerted efforts to enhance communications with existing customer cluster groups. In addition, OFM has successfully established a new user group in the area of Funds Control. Efforts are underway to establish a user group in the area of procurement.

In response to concerns in the area of training, OFM/NFC instituted a Training Coordination Committee to examine improvement possibilities for external and internal training. The committee has submitted a report outlining many recommendations dealing with training provided to OFM/NFC clients. The committee has also examined internal training and skills development at OFM/NFC and submitted a draft report.

OFM/NFC has taken significant actions to address outstanding audit concerns. In response to dealing with the lack of an integrated control program, OFM/NFC has developed a management control manual, provided control training, and is now working with an audit group to gauge the effectiveness of these efforts in order to respond with additional improvements. In response to ADP security concerns, a private contractor team is now completing a thorough audit of the ADP security environment and all previous audit findings have been or are being addressed.

### Applications

The following summarizes efforts underway to address application related improvements.

Payroll/Personnel System - 1 project completed, 10 underway

Administrative Payments Systems - 1 project completed, 16 projects underway

Billings and Collections Systems - 6 projects underway

Accounting and Reporting Systems - 3 projects underway

The FISVIS effort, in which NFC is deeply involved, is preparing for the implementation of a new general ledger/funds control system using commercial off the shelf software.

In addition, a committee has been established to identify an approach to implementing a single point of entry and control for all address changes affecting OFM/NFC systems.

### **Technical**

In the area of technical improvements, OFM/NFC has quite a few projects underway. OFM/NFC is procuring a product, ViaSoft, to aid in the optimization of program code. In addition, actions have begun with Forecross to facilitate and accelerate the transition of IDMS to DB2. Efforts are also underway in coordination with the Personnel user community to examine products to improve the user-friendliness, presentation, and ease of use with existing online applications.

To begin efforts to modernize the software development environment, priority consideration is being given to the procurement of PC-based development tools and the supporting architecture.

In the area of imaging, key personnel reviewed the document image processing operations at the United States Automobile Association in San Antonio, TX. Capital funds have been redirected so that a pilot project can begin in FY 95.

In the area of hardware and operating system software, one project has been completed, while five additional projects are underway. Included in these efforts is a project to examine new technological solutions to storage media for system outputs.

In response to concerns with outstanding user access issues, five of the six identified projects are underway and should be completed in the second or third quarters of FY 94. The one remaining project in this area is awaiting a software enhancement by a vendor.

Additional projects will be undertaken as resources become available.

## OFFICE OF ADVOCACY AND ENTERPRISE

Mr. DURBIN. The budget request proposes to abolish the Office of Advocacy and Enterprise and establish two new offices, the Office of Small and Disadvantaged Business Utilization and the Office of Civil Rights Enforcement. Briefly describe the functions of each of these offices. How does abolishing one office and creating two new offices provide more efficient and effective service?

Mr. TOWNSEND. The Office of Advocacy and Enterprise has already been abolished and the two new offices established. The change which was accomplished under authority provided in Reorganization Plan No. 2 of 1953 took effect on October 1, 1993, and was announced in the Secretary's Memorandum 1020-39.

The Office of Civil Rights Enforcement was established to provide overall leadership and direction to the Department's civil rights program by ensuring compliance with Federal civil rights laws and policies consistent with the President's objectives for efficiency, effectiveness, and customer satisfaction. This reorganization consisted of the transfer of the employee complaints and appeals functions that were within the Office of Personnel, and continuation of those civil rights programs that had been within the Office of Advocacy and Enterprise.

The Office of Small and Disadvantaged Business Utilization functions relate to the guidelines established under the Federal Acquisition Regulation, FAR, and Departmental procurement policies in support of small, minority and women-owned business utilization in the procurement of the Department's goods and services. Mandated by Public Law 95-507, the OSDBU mission is the implementation and execution of programs under both Sections 8 and 15 of the Small Business Act, as amended, and Executive Order 12432, which promote the growth and competitiveness of small, minority and women-owned businesses.

The separation of these two offices brings added emphasis to each. Combining the functions under an advocacy and enterprise label diminished the importance of each initiative. In establishing separate offices the Secretary affirmed his commitment to civil rights and to small, disadvantaged and women owned business and recognizes the very different nature of the two functions.

Mr. DURBIN. What is the funding level, in both dollars and staff, of the Office of Advocacy and Enterprise in fiscal years 1993 and 1994?

Mr. TOWNSEND. I will provide a table that shows the parts of the current Office of Civil Rights Enforcement and the Office of Small and Disadvantage Business Utilization that constituted OAE for those years.

[The information follows:]

(Dollars in thousands)

Office	Fiscal year 1993	Syrs	Fiscal year 1994	Syrs
OCRE .....	2,900	42	3,163	50
OSDBU .....	600	9	613	9
OAE .....	3,500	51	3,776	59

The Office of Advocacy and Enterprise was abolished in fiscal year 1994 and the Office of Civil Rights Enforcement (OCRE) created; as was the separate Office of Small and Disadvantaged Business Utilization. Also, during fiscal year 1994 an added \$1,261,000 and 21 staff years were transferred from the Office of Personnel



to the OCRE for the employee Equal Opportunity complaints and appeals function. Because the Explanatory Notes are done on a comparability basis and reflect that change, the fund levels for OCRE are now \$4,161,000 and 63 staff years in fiscal year 1993 and \$4,424,000 and 71 staff years in fiscal year 1994

Mr. DURBIN. What are the proposed funding levels, in both dollars and staff, for the two new offices in fiscal year 1995? Where is the additional funding to support these offices coming from?

Mr. TOWNSEND. The budget request for the Office of Civil Rights Enforcement is \$4,828,000 and 75 staff years. The request for the Office of Small and Disadvantaged Business Utilization is \$620,000 and 9 staff years. The amount requested for the Office of Civil Rights Enforcement includes \$404,000 and 4 FTEs over levels available in fiscal year 1994 to maintain current programs and to meet the increase in complaints of program discrimination. The amount requested for the Office of Small and Disadvantaged Business Utilization includes \$7,000 over the level available in fiscal year 1994 to maintain current programs.

#### OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

Mr. DURBIN. The Office of Small and Disadvantaged Business Utilization will oversee direction and implementation of Sections 8 and 15 of the Small Business Act. Please describe these sections in further detail.

Mr. TOWNSEND. Public Law 95-507, Section 15, authorized Federal Agencies to establish an Office of Small and Disadvantaged Business Utilization, OSDBU, and placed the responsibility for the implementation of the requirements under Sections 8 and 15 with this office. Section 8 specifically refers to the Federal Agency's utilization of small and disadvantaged businesses and Section 8(a) certified firms in their Agency's procurement programs. The Office works closely with the U.S. Small Business Administration, other Federal agencies, trade associations, the minority business community, and USDA program offices to accomplish this effort. Section 8 also establishes subcontracting requirements for all procurements valued at \$500,000 for goods and services and \$1,000,000 for construction. The OSDBU's primary function is to develop, and provide policy leadership, evaluate and make recommendations, monitor and report USDA agencies' accomplishments in the utilization of small businesses under their various procurement and program activities.

Section 15 describes the inception of the Procurement Preference Program and the process of establishing procurement goals. In accordance with this program each Federal agency must designate a percentage of their total yearly procurements for small, small disadvantaged, 8(a), and labor surplus areas. The OSDBU is responsible for the oversight of the process of setting USDA Agency goals.

#### DEPARTMENTAL ADMINISTRATION FUNDS AND STAFF YEARS

Mr. DURBIN. Provide a table showing the funding and staff year levels for each office within Departmental Administration for fiscal years 1992 and 1993 and estimates for fiscal years 1994 and 1995.

Mr. TOWNSEND. I will gladly provide that information for the record.

[The information follows:]

## DEPARTMENT ADMINISTRATION APPROPRIATED FUNDS AND STAFF YEARS

[Dollars in thousands]

Staff Office	Fiscal year 1992 funds	SY	Fiscal year 1993 funds	SY	Fiscal year 1994 funds	SY	Fiscal year 1995 funds	SY
Personnel <sup>1</sup>	\$5,525	92	\$5,429	99	\$5,554	94	\$5,988	94
Finance & management	4,344	62	4,401	64	4,466	76	5,280	87
Operations	3,111	53	3,269	55	3,239	54	3,680	56
Information resources management	5,672	64	6,019	71	6,145	74	6,033	71
Civil rights enforcement <sup>2</sup>	4,464	64	4,161	63	4,424	71	4,828	75
Small business utilization <sup>2</sup>	462	7	600	9	613	9	620	9
Administrative law judges and judicial officer	1,402	20	1,421	18	1,611	21	1,626	21
Emergency programs	225	4	242	4	249	4	252	4
Total, DA	25,205	366	25,542	383	26,301	403	28,307	417

<sup>1</sup> Adjusted by \$1,261,000 and 21 FTEs for comparability to reflect the transfer of the EEO Complaints to OCRE in FY 1994.<sup>2</sup> Adjusted for comparability to reflect establishment of OSDBU in FY 1994.

## GAO RECOMMENDATIONS

Mr. DURBIN. The GAO has recommended that the Office of Personnel, OP, provide greater oversight in a number of areas. Would you please describe the GAO recommendations in further detail and tell us how you are addressing them.

Mr. TOWNSEND. The GAO report entitled, Strengthening Management Systems to Support Secretarial Goals, identified various weaknesses in Department systems. The report recommended that the Office of Personnel provide a leadership role for human resource management departmentwide; hold agency heads accountable for compliance with standards and personnel orders, such as mandatory use of the USDA training information system; assume responsibility for addressing common workforce problems in areas such as training, recruiting, and workforce planning to avoid duplication and to provide centralized services when most efficient; and establish agency accountability for maintaining a quality workforce through tracking and reporting of evaluations of program effectiveness.

Departmentwide initiatives have been undertaken to increase OP's leadership and oversight role, and to promote innovation in areas such as human resource management. Building upon a systematic and progressive process for human resource planning, OP issued Departmental policy in 1993 which formalized the strategic planning process.

OP also developed a plan for "rightsizing" USDA in June 1993, reaffirming OP's leadership role for human resource management Departmentwide. This plan provided the framework for a reduction of 7,500 employees through 1998 and has been a key planning guide for agencies as they developed their streamlining objectives. During the "rightsizing" initiative, OP has provided oversight for the development of agency plans, monitoring aspects of the "rightsizing" such as headquarters versus field reductions, GS-14 through SES reductions, and the impact of these changes on workforce diversity.

With regard to standards and personnel orders, the training information system has not enjoyed widespread use in the Department. At this point, OP is reexamining the system design. Several questions concerning connectivity and applicable software and hardware need to be addressed and the overall system evaluated.

OP has established centralized training programs for employees at all levels in the Department. Succession analysis revealed that approximately 45 percent of USDA's career SES will be eligible to retire over the next few years. In response to this situation, OP developed an innovative Departmental program, the SES Candidate Development Program, which each year establishes a high quality, diverse pool of senior executive candidates from which to fill vacancies created in the SES. The program is now in its third year.

The USDA Supervisory Academy and the Management Development Program, both developed by OP, are training programs which provide mid-management development for USDA employees as they prepare for higher level supervisory and managerial assignments.



OP is providing comprehensive Departmentwide guidance to agency managers and employees concerning the new "Standards of Ethical Conduct for Employees of the Executive Branch" and training employees who will be responsible for administering the USDA ethics program. All employees of the Department receive the ethics training on an annual basis.

A basic training program, The Learning Center, has also been developed which trains secretaries, clericals, and other administrative technicians in standard office automation and procedures.

OP has several diverse initiatives for recruiting and retaining a quality and representative workforce. They include: the USDA/Hispanic Association of Colleges and Universities initiative; the USDA/1890 Historically Land-Grant Colleges and Universities initiatives and the Individuals with Disabilities program. OP also provides leadership through a recruitment council which consists of agency recruitment officers who receive information and ideas on recruiting new employees for their agencies.

USDA is continuing its special employment programs for students as well—Summer Intern Program, Cooperative Education Program, Outstanding Scholars Program, and Cooperative Education in Residence Program.

OP is presently leading coordinated efforts to achieve the following Departmentwide goals: consolidating the employee benefits function at the Department level to save money and modernize service delivery; developing new USDA-wide criteria for employee recognition to increase effectiveness and save money; developing new USDA-wide criteria for evaluating nonsupervisory performance in the area of equal opportunity and civil rights to improve effectiveness; and returning worker's compensation claimants to work to reduce unproductive expenses for the entire Department.

OP has established an Alternative Discipline program Departmentwide and has reexamined the Department's published Table of Disciplinary Penalties and the delegations of disciplinary authorities to agencies.

In the Equal Employment Opportunity area, OP is responsible for reviewing all findings of discrimination issued by the Assistant Secretary for Administration to determine if discipline or other corrective action is required.

In the Ethics Program, OP has strengthened its leadership role by: becoming expert in and providing advice to Department managers and employees on the application of the new "Standards of Ethical Conduct for Employees of the Executive Branch"; providing and/or guiding the Department's Ethics training activities, including Ethics briefings for non-career appointees and senior personnel; issuing policies for, and monitoring, the confidential financial disclosure program in Department agencies; training reviewers of confidential financial disclosure reports; reviewing Department positions to determine that agencies obtain confidential financial disclosure reports from all appropriate personnel; continuing to conduct the public financial disclosure program for all covered employees of the Department, providing advice to covered employees with questions about the process; and reaching resolution on all outstanding recommendations from past audits of the Ethics Program by GAO,



the Office of Government Ethics, and the Office of Inspector General.

In the Whistleblower Protection Program, OP has instituted careful follow up of complaints it receives. Also, OP is developing notices to inform employees of the Whistleblower Protection Act and the protection it provides them.

In the Labor Relations area, OP has provided leadership in the implementation of Executive Order 12871, Labor-Management Partnerships. OP has been instrumental in the establishment of the USDA Partnership Council and has provided guidance and assistance to the agencies on labor relations issues associated with the new Executive Order.

#### OP AUTOMATION

Mr. DURBIN. This Office requesting an increase of \$400,000 for internal automation to create approximately 45 new computer work stations. How will this increase allow you to do what GAO has recommended?

Mr. TOWNSEND. GAO recommended that OP provide greater oversight and leadership in work force planning, training and retraining, recruitment, personnel management evaluations, and work force diversity. In order for OP to take the lead in human resource management and provide the technical assistance that USDA agencies need. OP must quick access to data, the ability to manipulate it quickly, and the ability to communicate quickly with USDA agencies. USDA is so large, so diverse, and so scattered geographically that automation is the only way to achieve role recommended by GAO.

OP currently does not have the hardware, software, or the resources to implement the GAO recommendations. With the increase requested, staff will be able to develop their own databases for purposes of planning, tracking, and accountability, to access other databases, and to analyze and evaluate agency plans and programs.

#### OO PROGRAM INCREASE

Mr. DURBIN. The Office of Operations, OO, is requesting funds to support two new GS-15 positions in fiscal year 1995. One of these positions is the result of an EEO settlement and another agency has agreed to pay for this position until fiscal year 1995. Briefly describe this settlement and tell us which agency is currently paying for this position.

Mr. TOWNSEND. A complaint alleging discrimination by race and age in the evaluation and classification of an employee's position was filed against the Office of Finance and Management. To resolve the EEO complaint and an associated administrative grievance, the parties, along with the Directors of Personnel, MAP, and the Office of Operations, agreed to the immediate transfer of the employee to an unclassified position in the Office of Operations. The Office of Personnel subsequently classified the position in question as GS-15. Funding for the position through FY 1994 has been provided equally by the MAP Office and the Office of Finance and Management.

Mr. DURBIN. The other requested position is the result of an interagency agreement to transfer a procurement analyst from the Forest Service. Why isn't the salary and benefits for this analyst being transferred along with the position?

Mr. TOWNSEND. The Forest Service is not transferring the salary and benefits for this position because the position will remain in the Forest Service. A Forest Service employee will be reassigned from a position in the Forest Service to a position in the Office of Operations in fiscal year 1995. The budget incorrectly describes this reassignment as a transfer.

Mr. DURBIN. What will you do if you do not receive the funding to support these two positions?

Mr. TOWNSEND. The Office of Operations will have to absorb the cost of both positions, and, this will force us to essentially eliminate training and travel expenditures. The effect of eliminating training would be that our procurement officers would not receive the necessary training to maintain their contracting officer warrants. If travel were eliminated, it would seriously impact our mission to provide oversight to the agencies and reviews of the personal property, real property, procurement, and our assistance programs with 1890 and Land Grant Institutions.

Mr. DURBIN. How much of the \$403,000 being requested is needed to cover each of these positions?

Mr. TOWNSEND. The Procurement Analyst position was projected at \$97,139. The position that resulted from an EEO settlement was projected at \$97,156.

#### PROPERTY ACQUISITION PROGRAM

Mr. DURBIN. A portion of this increase will also allow the Office of Operations to conduct onsite visits to 1890 Land Grant Institutions not fully participating in property programs with a goal to increase property acquisition from \$4 million to \$8 million. Would you please describe this program in further detail.

Mr. TOWNSEND. Under the Federal Property and Administrative Service Act of 1949, the Secretary of Agriculture may lend Federal excess personal property to the sixteen 1890 Land Grant Colleges and Tuskegee University to enhance agricultural research and extension programs. In 1989, on behalf of USDA agencies, OO dedicated a single FTE to launch an excess property initiative to match 1890 requirements with available Federal excess inventories, particularly excess military property. The program was an immediate success. Since 1989, USDA has lent excess property valued at over \$14 million to 1890 Institutions and Tuskegee University. The resources requested for fiscal year 1995 will be used to encourage first-time or low level participants to increase their participation in the program.

#### TRANSFERS OF PROPERTY

Mr. DURBIN. Please provide a table showing the amount of property that has been transferred to these Institutions for fiscal years 1992 and 1993 and estimates for fiscal year 1994.

Mr. TOWNSEND. I will provide a table for the record that lists excess property transferred to 1890 Land Grant Institutions from fiscal year 1992 through April 1994. Acquisitions are expected to be



approximately \$1 million in fiscal year 1994. The reduction in participation from fiscal year 1992 levels reflects the fulfillment of property needs by active participants.

[The information follows:]

U.S. DEPARTMENT OF AGRICULTURE PROPERTY TRANSFERRED TO 1890 LAND GRANT INSTITUTIONS

[Amounts rounded to nearest dollar]

Institution	Fiscal year—		
	1992	1993	1994
Alabama University .....	\$24,016	\$25,390	\$3,160
Alcon University .....	57,954	1,976	51,117
University of Arkansas at PB .....	1,827,550	527,509	23,352
Delaware State .....			26,765
Florida A&M University .....			26,533
Fort Valley State .....	315,652	9,036	
Kentucky State .....	193,059	19,818	
Langston University .....		215,981	8,047
Lincoln University .....		79,092	2,750
University of Maryland at ES .....	18,031	15,143	
North Carolina University .....	21,336	2,465	
Prarie View A&M .....	13,500		
South Carolina State .....	584,774	41,415	35,717
Southern University .....	382,826	139,140	58,254
Tennessee State University .....	7,698	7,366	88,933
Tuskegee University .....	283,297	245,415	110,499
Virginia State University .....	4,665	80,064	150
Grand total .....	3,734,358	1,409,810	435,277

DIRECTORY OF ETHANOL-BLENDED GASOLINE SERVICE STATIONS

Mr. DURBIN. To promote the use of ethanol, the Office of Operations published a nationwide directory of service stations selling Ethanol-blended gasoline. How much did it cost to produce and distribute this directory? How many copies have been distributed and to whom?

Mr. TOWNSEND. Mr. Chairman, 160 camera copies of the directory were printed and distributed at the cost of approximately \$2,500. These directories were sent to 48 Administrative Services Directors within USDA and to 112 National Utilization Officers of other Federal agencies.

COMPLIANCE MANUALS

Mr. DURBIN. You are requesting an increase of \$300,000 and four staff years for the Office of Civil Rights Enforcement, OCRE, for complaint and compliance reviews. Part of this request will be devoted to developing compliance manuals. What guidance does staff currently follow when conducting compliance reviews? Will all previous manuals and guidelines be discarded when these new manuals are developed?

Mr. TOWNSEND. Previous manuals for compliance reviews are obsolete and no longer in use. Because there also are new statutory areas of coverage, guidelines have been informal. OCRE currently uses a combination of Civil Rights statutes. U.S. Department of Justice Regulations; USDA Regulation, 7 CFR Part 15—Non-discrimination; Departmental Regulation 4300—Public procedures

as guidelines for conducting compliance reviews. Development of the compliance review manuals will consolidate compliance review authorities, guidelines, procedures and responsibilities into one resource document to be used by OCRE and USDA agencies. The manual will set forth details of pre-review, on-site and post-review activities.

#### PROGRAM COMPLAINT PROCESSING

Mr. DURBIN. This request will also be used to reduce the average processing time of complaints to 180 days or less. What is the current processing time. How do you propose to reduce this time?

Mr. TOWNSEND. The current processing time is 260 days. We propose to reduce this time by increasing the use of negotiated settlements and by increasing the use of automated technology, computer modems and FAX, to coordinate actions of USDA field offices in conducting preliminary inquiries.

#### NATIONAL SCHOLARS PROGRAM

Mr. DURBIN. During Fiscal year 1993 the Department, in cooperation with the 1890 Historically Black Land Grant Institutions, implemented the USDA/1890 National Scholars Program. This is a program where USDA provides full tuition, fees, books, and a personal computer including software to competitively selected students pursuing a bachelors degree at one of the seventeen 1890 Institutions. The Institutions provides the room and board. What must the students provide in return? Is there any type of community service requirement?

Mr. TOWNSEND. The purpose of the USDA/1890 National Scholars Program is to strengthen the long-term partnership between USDA and the 1890 Institutions; to increase the number of students studying agriculture, food, and natural resources sciences; and to offer career opportunities to USDA/1890 National Scholars at USDA. Each annual scholarship renewal is contingent upon satisfactory performance and normal progress toward the bachelor's degree. Upon completion of the program, USDA will require a 1-year service obligation for each year of financial support.

Demonstration of commitment to community service is one of the evaluation factors on the student's application for a scholarship. Most of the 1890 Institutions require community service by the students as part of their academic requirement for achieving a bachelors degree. The National Scholars Program itself does not require a community service commitment.

Mr. DURBIN. In fiscal year 1993, 46 students were entered into the program. Are these students still in the program? How many students are anticipated to be accepted into the program in fiscal year 1994? What is the cost to USDA to operate the program in fiscal years 1993 and 1994?

Mr. TOWNSEND. Thirty-four or more scholarships will be awarded annually for 4 years, for a total of 136 awards. Each award provides annual tuition, employment, employee benefits, use of a personal computer and software while on the scholarship, fees, books, room and board for each of the 4 academic years.

Of the 46 students who entered the program in 1993, 45 are still in the program. One student decided not to pursue his education



at this time after spending a week on campus last fall. We anticipate accepting 34 students into the program in fiscal year 1994.

Fiscal year 1993 costs were approximately \$160,000. Of this total, \$20,000 was for administrative costs for design and implementation of the program and the remainder for salary and benefits for the 35 students who worked for us during the summer of 1993. In fiscal year 1994, we will have a total of 81 students who would represent those selected in 1993 and 1994. The cost will be approximately \$574,000. Of this total, \$180,000 is for tuition, books, and fees, \$58,000 for computers; \$20,000 for administration of the program; and \$316,000 to cover salary and benefits costs.

#### STUDENTS FUNDED

Mr. DURBIN. What criteria are used to determine how many students will be funded?

Mr. TOWNSEND. The agreement we have with the 1890 Institutions is that we will strive to make at least 2 awards to each of the seventeen 1890 Historically Black Land-Grant Institutions. Agencies select additional students if the selection is within their annual recruitment plan for cooperative education student. Since students selected for scholarships are also cooperative education students, all selections are part of an agency's long-term staffing plans for meeting a portion of their future permanent employee professional trainee work force.

In order to be considered for this scholarship, each applicant must meet eight general eligibility requirements. These include: U.S. citizenship; status as an entering freshman; possession of a high school diploma or G.E.D. certificate; a high school grade point average of 3.0 or better; a combined verbal/math score of 1,000 or more on the Scholastic Aptitude Test or a composite score of 21 or more on the ACT; attendance at one of the seventeen 1890 Historically Black Land-Grant Institutions; a course of study involving agriculture, food, or natural resource sciences; and demonstrated leadership, community service, and potential to be successful.

#### ALTERNATIVE DISCIPLINE

Mr. DURBIN. The Department has a new discipline policy whereby employees may be offered a choice of negotiating an alternative discipline agreement in lieu of traditional penalties. Has this new policy been used?

Mr. TOWNSEND. We began using Alternative Discipline in 1993. Agencies reported applying the program in 50 cases during calendar year 1993.

Mr. DURBIN. Provide a few examples, for the record, of how this new policy might work.

Mr. TOWNSEND. Alternative Discipline permits creative approaches to correcting misconduct without creating a permanent record of the misconduct or of the corrective action. I will provide some examples for the record.

[The information follows:]

An employee failed to secure an Agency-owned firearm, as a result, the firearm was stolen. The employee admitted misconduct and agreed to request 1 day of leave without pay. The effect is the same as a suspension from duty without pay, but does not create the permanent record as a suspension would.

An employee falsified his date of birth on a USDA identification card to gain access to a liquor establishment. The employee was arrested, found guilty of presenting false identification and of being a minor in a liquor establishment and fined \$150. The employee admitted the misconduct and agreed to perform 8 hours of community service for a fully accredited alcoholism treatment facility. The employee also agreed to review and prepare a 3-page summary of the Standards of Ethical Conduct for Employees of the Executive Branch.

During duty hours, an employee used a Government computer to generate a baseball card listing. The employee admitted misconduct and agreed to request 1 day of leave without pay. The employee also agreed to write and submit an essay on why Government computers should not be used for personal purposes and why personal business should not be conducted on Government time.

#### CELEBRATION OF EXCELLENCE

Mr. DURBIN. The Department conducted its first Celebration of Excellence ceremony in fiscal year 1993. Would you please describe this initiative in further detail.

Mr. TOWNSEND. The purpose of the Celebration of Excellence Awards Ceremony was to recognize outstanding USDA employees at all grade levels who made notable contributions to Agriculture, the consumers of agriculture products, and to rural America. In addition, the Ceremony highlighted Team USDA and promoted the new Reinventing Government theme.

Secretary Espy delivered the keynote address and presented the major USDA awards. Representative Kika de la Garza, Chairman of the Committee on Agriculture in the House of Representatives, also presented remarks. Country music singer Willie Nelson graciously donated his services and those of his band at the picnic luncheon immediately following the Ceremony.

The amount spent on awards ceremonies was reduced from \$1.1 million in fiscal year 1992 to \$459,000 in fiscal year 1993. This cost reduction was accomplished by having only one Ceremony in Washington, D.C. instead of allowing each USDA agency to conduct its own. Several thousand employees, including award recipients, their families and friends attended the outdoor ceremony, which was held in front of the USDA Administration Building. The entertainment was free, and the food was paid for by employees, with exception of award recipients, their immediate family members and guests.

The total number of Honor Awards was 116. The Distinguished Service Award, the Department's highest award, was presented to 20 individuals. 1 team and 10 groups. The Superior Service Award, the Department's second highest award was presented to 50 individuals. 4 teams and 31 groups. In addition, 5 individuals were presented Agricultural Research Scientist of the Year awards and 19 employees received awards sponsored by groups or organizations outside of USDA.

#### PROCUREMENT TASK FORCE

Mr. DURBIN. The Secretary established a Procurement Task Force to work with the Procurement Policy Office to pursue a mandatory competency based training program. Recommendations were supposed to be submitted to the Secretary in January 1994. What is the status of this initiative?



Mr. TOWNSEND. The Procurement Task Force has completed their report and expects to brief and provide the Secretary with their report in the near future.

In January 1994, a draft copy of the report including the competency based training recommendations were provided to USDA personnel. To meet the proposed direction of the report and to meet the Secretary's milestones, the Procurement Policy Division assembled a group of senior procurement personnel to develop a "USDA Competency Based Contracting Officer Warrant System". The group worked diligently during the months of February and March to meet the Secretary's milestones. On April 13, the proposed "Competency Based Contracting Officer Warrant System" was issued to Agency Heads, Administrative Services Divisions Directors, and the Director, Office of Personnel for comment.

Mr. DURBIN. This Task Force also conducted a study of USDA's procurement practices and developed numerous recommendations to change procurement procedures. Provide a list of these recommendations and tell us what actions are being taken to implement them.

Mr. TOWNSEND. The Procurement Task Force report is still being finalized. The CFO and I will submit it soon to the Secretary for his review and comment on the recommendations. We expect the report to be cleared by the Secretary for release soon. At that time, I would be glad to provide you and the committee this information.

Mr. DURBIN. In your statement, I read where the Task Force made a recommendation on actions needed to acquire goods and services on a best value basis. What does this mean?

Mr. TOWNSEND. Selecting contractors on a "best value" basis involves a trade-off between costs and other factors, such as technical value or merit, past performance, and life-cycle cost savings to the Government. A contract awarded on the basis of best value should give the Government the greatest or best value for its money. Best value source selection methods have been used for many years in negotiated procurements, but their use has increased in recent years, due to greater emphasis on making awards that are most advantageous to the Government, price and other factors considered. Admittedly, best value source selection exceeds the technically acceptable low-cost approach in terms of expense and complexity, they require a more sophisticated analysis of contractor proposals and the use of statistical and analytical techniques to make trade-off judgments between cost and value. However, best value source selection has become the preferred method for acquisitions needing innovative solutions and those for professional and technical services.

#### TELECOMMUNICATIONS PLAN

Mr. DURBIN. Please describe in further detail the Department's telecommunications long range plans as well as the IRM strategic plans?

Mr. TOWNSEND. USDA's initial Strategic Telecommunications Plan (STP) was completed in December 1993 and distributed to all USDA agency Senior IRM Officials.

This STP describes how USDA will use telecommunications as a strategic asset to provide new or expanded service within USDA

and to our client base, and to operate in the most cost-effective manner possible.

The vision of the STP is to re-engineer the Department's current heterogeneous telecommunications network into a unified Enterprise Network through an evolutionary process. This plan will provide the impetus for the sharing and exchange of information across all USDA agencies. In addition, it will foster aggregation of services as field offices relocate and consolidate. I will provide further details for the record.

[The information follows:]

Seven initiatives have been identified in this plan:

1. Enterprise Network Program Management—set up an Enterprise Network Program Management Office within OIRM that will manage the evolution to the Enterprise Network.

2. Network Baseline Definition—describe the current network in terms of inventory, traffic and costs.

3. Enterprise Network Evolutionary Development—evaluate near-term agency plans for network development, applications planned or in process requiring telecommunications support, and develop traffic volume and cost projections.

4. Network Management Architecture Design—prepare an overall technical design for cost effective management of the Enterprise Network.

5. Open Systems Interconnect (OSI) Transition Planning—define a master OSI transition plan and agency-specific transitions plans.

6. Aggregation Network Planning—aggregate USDA voice, data and video traffic where applicable, e.g., collocated offices, campuses or a backbone network.

7. USDA Video Communications Service—identify USDA-wide requirements for video communications services, standards, projected costs and priority of services.

USDA's Strategic IRM Plan was completed in January 1993 and distributed to all USDA agency Senior IRM Officials.

The Strategic IRM Plan describes how USDA will use information and information technology as strategic assets to deliver the critical missions and programs of USDA. It also prepares the Department to provide new or expanded services to USDA customers. The vision of the Strategic IRM Plan is to enable the Department to meet the demands of its changing environments. USDA's IRM vision includes both an external as well as an internal perspective. Future systems must support the information needs of Departmental executives and provide for the sharing of information with other agencies, private organizations, educational and scientific institutions, and the public.

The initiatives identified in the plan include:

**Business Process Improvement.** A major element of effective management is to establish a program for continuous improvement of business operations and management procedures. A critical component of this improvement effort is to provide common methodologies and tools to be used in business process improvement.

**The USDA Info Share Program.** The USDA Info Share program is a consolidated program for business process reengineering and the acquisition, implementation and management of information technologies for the farm service and rural development agencies.

**USDA Data Management Program.** A USDA Data Management Program has been created to develop data policies and standards across USDA. A Data Management Sub-committee has been created under the USDA IRM Council to coordinate the development and implementation of a Department-wide approach for data management.

**USDA IRM Security Program.** OIRM will provide leadership to evaluate, modify and implement a comprehensive security program. OIRM will work with agency IRM security officers to develop this program and a Departmental regulation which addresses IRM security throughout USDA and work with NIST and other parts of the federal security program.

**Inventory of Current Application Information Systems.** At the time the IRM Strategic Plan was written, there was no comprehensive inventory which identified application information systems existing throughout USDA. OIRM has begun efforts by identifying and cataloging existing major information systems.

**Modernization of Administrative Processes (MAP) Program.** The administrative processes which we use to manage money, personnel and property entrusted to the Department has received less-than-necessary attention during the past few years. USDA must have modern administrative systems which will assure we continually



improve our service to the public, share resources and information within USDA as appropriate, reduce the cost of doing business, and effectively make use of technology.

**Agency Liaison Officer (ALO) Program.** USDA has established the ALO program to improve Departmental oversight and coordination of agency IRM planning and budgeting efforts.

**Department Accessible Technology Program.** USDA has established a program to ensure agency employees and the general public with disabilities have the capability to provide and receive agricultural information. OIRM coordinated the establishment of the Technology Accessible Resources Gives Employment Today (TARGET) Center.

**USDA Telecommunications Strategic Plan.** As discussed above, OIRM has developed a long-range telecommunications plan.

#### OFFICE OF ADMINISTRATIVE LAW JUDGES/JUDICIAL OFFICER FUNDING LEVELS

**Mr. DURBIN.** Provide a table showing the funding levels, in both dollars and staff, for the Office of Administrative Law Judges, the Judicial Officer, and the Office of the Hearing Clerk.

**Mr. TOWNSEND.** I will be happy to provide that information for the record.

[The information follows:]

[Dollars in thousands]

Activity	Fiscal year					
	1993 funds	1993 staff years	1994 funds	1994 staff years	1995 funds	1995 staff years
Administrative law judges .....	\$962	7	\$1,010	10	\$992	10
Judicial officer .....	292	3	316	3	349	3
Hearing clerks .....	167	8	285	8	285	8
Total .....	1,421	18	1,611	21	1,626	21

#### FMHA ADP PROCUREMENT AUTHORITY LIMIT

**Mr. DURBIN.** Last year you raised the ADP procurement authority limit for Farmers Home from \$50,000 to \$300,000, but the limit was directed toward supplies and in-house maintenance activities. What is the status of this limitation?

**Mr. TOWNSEND.** The Farmers Home ADP Procurement Authority limit is \$250,000 for all ADP Resources, however, the Technical Approval limit was raised from \$50,000 to \$300,000.

#### MOTOR VEHICLE INVENTORY

**Mr. DURBIN.** The Department conducted an internal management study and cost comparison of rates of using GSA owned vehicles, commercially lease vehicles, and USDA owned vehicles. The results showed that the least costly means of providing vehicle transportation was through USDA owned vehicles followed by GSA owned vehicles and then commercially leased vehicles. Tell us how many vehicles at the Department are USDA owned, how many are GSA leased, and how many are commercially leased. What can be done to move away from leasing through GSA and the commercial market and toward more USDA ownership?

**Mr. TOWNSEND.** As of September 30, 1993, USDA owned and operated domestically 34,884 vehicles, and leased approximately 5,850 vehicles from GSA and approximately 600 vehicles commercially. We have asked agencies to request funds in their budgets

over the next 6 years to replace vehicles leased through GSA or commercially with owned vehicles. Also, agencies will replace commercially leased or GSA leased vehicles with owned vehicles that become available through reorganizing and downsizing.

Mr. DURBIN. For the record, please provide a table showing the distribution of the Department's vehicles by agency.

Mr. TOWNSEND. I will be pleased to do so.

[The information follows:]

*USDA domestically owned vehicles*

Agency:	As of 09/30/93 <sup>1</sup>
Agricultural Marketing Service .....	63
Agricultural Research Service .....	3,529
Agricultural Stabilization & Conservation Service .....	8
Animal and Plant Health Inspection Service .....	3,018
Farmer's Home Administration .....	15
Food Safety and Inspection Service .....	2
Forest Service .....	17,141
National Agricultural Statistics Service .....	19
Office of the Inspector General .....	19
Soil Conservation Service .....	11,070
<b>Total owned and operated vehicles .....</b>	<b>34,884</b>

<sup>1</sup>In addition to the 34,884 owned sedans, station wagons, light trucks, medium trucks, heavy trucks, buses, and ambulances listed in the table. USDA owns and operates various special purpose vehicles which include: fire trucks, trash compactors, construction equipment, trailers, motorcycles and snowmobiles. We also operate 312 vehicles in foreign countries and obtain approximately 6,400 vehicles from GSA or commercial vendors. USDA also owns and loans, through the Federal Excess Property Program (FEPP), about 25,000 pieces of fleet equipment.

**USDA AIRCRAFT INVENTORY**

Mr. DURBIN. Also for the record, provide a similar table showing the Department's distribution of aircraft by agency.

Mr. TOWNSEND. I will provide such a table.

[The information follows:]

*Distribution of owned and operated aircraft*

Agency:	As of 09/30/93 <sup>1</sup>
Agricultural Research Service .....	8
Animal and Plant Health Inspection Service .....	23
Forest Service .....	46

**Total owned and operated vehicles .....** 77

<sup>1</sup>The Forest Service lent 239 aircraft to State Forestry organizations and 28 aircraft to museums. These organizations pay all costs associated with the aircraft. The Animal and Plant Health Inspection Service also leased on a year-round basis 6 aircraft and borrowed 6 aircraft from cooperators. In addition, the Department acquired by contract, charter, lease or rental \$48.3 million in aircraft and aircraft services.

**COMPLAINT REVIEWS AND INVESTIGATIONS**

Mr. DURBIN. Did you conduct any on-site reviews and/or complaint investigations in fiscal year 1993? If so, please describe them.

Mr. TOWNSEND. In FY 1993, we conducted four on-site reviews, three desk audits, and one followup review.

In the Farmers Home Administration, FmHA, on-site reviews were conducted of the National Office, New Mexico and Virginia. The review included an assessment of employment and program delivery. In addition, desk audits of the FmHA Rural Rental Housing Program were conducted in Colorado, Maryland and Pennsylvania.

In the Extension Service, an on-site compliance review was conducted of the Mississippi Cooperative Extension Service. This was a followup review to assess the state's progress in implementing corrective actions to deficiencies cited in the 1989 review. The review included an assessment of employment and program delivery.

An on-site review was conducted of the employment program in the Office of Operations, a Departmental Administration Staff Office.

The Office of Civil Rights Enforcement conducted 12 on-site complaint investigations in fiscal year 1993. I will provide more details for the record.

[The information follows:]

#### ON-SITE INVESTIGATIONS AND PRELIMINARY INQUIRIES

Date started	Date completed	Program	Basis	City, State
4/26/93	4/30/93	Women & infant children .....	Disability, race .....	Prattville, Alabama.
4/26/93	4/30/93	Rural rental housing .....	National origin .....	East Lansing, Michigan.
1/25/93	1/29/93	County elections .....	Race .....	Lee County, Georgia.
5/10/93	5/14/93	Rural housing .....	Disability, marital status .....	Little Rock, Arkansas.
3/22/93	3/26/93	Rural housing .....	Color .....	Concord, Virginia.
7/26/93	7/30/93	Disaster assistance .....	Sex .....	White Plains, Georgia.
7/12/93	7/16/93	Section 515 program .....	Sex .....	Coushatta, Louisiana.
4/12/93	4/16/93	Electric cooperative .....	National origin .....	Bismarck, North Dakota.
8/9/93	8/13/93	Farm loan .....	Race .....	Magnolia, North Carolina.

<sup>B</sup> Preliminary Inquiries. From 5/24/93 to 6/11/93 a preliminary inquiry was made at La Petite Academy, the day care center that services USDA main headquarters in Washington, D.C. This investigation provided the information needed to adjudicate three discrimination complaints made against the academy.

As of February 1993, discrimination was found to have occurred in one of the complaints.

#### NUMBER OF COMPLAINTS RECEIVED

Mr. DURBIN. Please update the table that appears on page 871 of last year's hearing record showing the number of complaints of program discrimination you received and the number resolved to include fiscal year 1993 actuals.

Mr. TOWNSEND. USDA received 824 new program complaints in fiscal year 1993 and closed 688. I will provide the table for the record.

(The information follows:)

#### PROGRAM COMPLAINTS BY FISCAL YEARS

Fiscal year	Cases received	Cases resolved <sup>1</sup>
1982 .....	373	N/A
1983 .....	398	N/A
1984 .....	479	N/A
1985 .....	460	N/A
1986 .....	518	N/A
1987 .....	576	533
1988 .....	578	537
1989 .....	645	602
1990 .....	651	681
1991 .....	721	622
1992 .....	794	791
1993 .....	824	688

<sup>1</sup> N/A—Through fiscal years 1982–1986, OCRE did not have a tracking mechanism for cases resolved.



## SUMMER INTERNS

Mr. DURBIN. What was the total number of summer interns the Department hired last year? How many were from 1890 Land Grant Institutions, how many were from the Hispanic Association of Colleges and Universities, how many were from American Indian Colleges, and how many were from other colleges and universities?

Mr. TOWNSEND. We hired 764 summer interns last year. There were 630 from the 1890 Land Grant Institutions, 108 from the Hispanic Association of Colleges and Universities, 8 from the American Tribal Colleges and 18 from other colleges and universities.

## CONVERSION TO THE METRIC SYSTEM

Mr. DURBIN. What is the status of the Department's conversion to the metric system?

Mr. WILLIAMS. In fiscal year 1992, USDA issued a Departmental Regulation establishing policy and responsibilities needed for orderly transition to the metric system. The Office of Finance and Management established the USDA Metric Coordination Committee and worked with agency representatives in developing the USDA Metric Coordination Committee and worked with agency representatives in developing the USDA Metrication Plan. USDA's fiscal year 1992 and 1993 metric conversion program accomplishments were provided to the Department of Commerce for inclusion in the Federal government-wide report to the President. Guidelines are in place on implementation of metrics into our programs and the services we provide our customers.

## LOCKBOX COLLECTIONS

Mr. DURBIN. How much interest costs to the Treasury were avoided from lockbox collections in fiscal year 1993?

Mr. WILLIAMS. While Treasury does not publish interest cost savings now that this program is in full operation as a key cash management program, loss of this mechanism would result in substantial increases in opportunity and interest costs for the Department's receivables.

## WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY SALE

Mr. DURBIN. What is the status of the sale of 75.3 acres of the ARS Beltsville site to the Washington Metropolitan Area Transit Authority, WMATA?

Mr. TOWNSEND. The total sale price of the 75.3 acres of the ARS Beltsville site \$5.0 million. Parcels 1 and 2 totaling 65.01 acres were transferred to WMATA on November 5, 1992 for \$3,513,605. Parcel 3, 10.38 acres was not transferred because it included an old waste landfill, biodegradable site, which required excavation and removal of waste material. On-site cleanup of this site was completed in January 1994. The cleanup was performed in compliance with State and Federal regulations. The Maryland Department of the Environment provided oversight and has concurred in writing that the landfill material was successfully removed. A draft final report has been completed, and a final report is due from the contractor by May 1, 1994. The sale price of this parcel is \$1.5 million. A property disposal package has been prepared and will be sent to



GSA through the Department upon receipt and acceptance of the final report from the contractor.

#### RETENTION OF SALE PROCEEDS

Mr. DURBIN. Did ARS get to retain the sale price or did it go to the General Treasury?

Mr. TOWNSEND. ARS has retained the money from the sale of parcels 1 and 2. This \$1.5 million yet to be transferred from WMATA will be placed in escrow. However, funds from the sale of these parcels are being held in escrow by the National Finance Center. OMB has ruled that these funds would be charged against ARS's outlay level and legislation to obligate/outlay this funding has not been granted.

Mr. DURBIN. Please update the table that appears on page 874 of last year's hearing record showing the amount of funds USDA provides to Historically Black Colleges and Universities to include fiscal year 1993.

Mr. TOWNSEND. I will provide a table for the record.  
(The information follows:)

#### U.S. DEPARTMENT OF AGRICULTURE FUNDS PROVIDED TO ASSIST HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

Program description	Fiscal year		
	1993 actual	1994 estimate	1995 estimate
Research and development .....	\$40,158,000	\$39,365,000	\$38,863,000
Program evaluation .....	29,861,000	30,804,000	32,013,000
Training .....	625,000	653,000	793,000
Facilities and equipment .....	8,817,000	8,872,000	9,016,000
Fellowships, traineeships, recruitment, and IPA's .....	11,620,000	12,632,000	12,672,000
Student tuition, assistance, scholarships, and other aid .....	1,564,000	1,824,000	2,054,000
Total to HBCU's .....	92,645,000	94,150,000	95,411,000

#### TRAVEL INCREASE

Mr. DURBIN. Object class 21, travel, increases from \$517,594 in fiscal year 1993 to share \$2,393,000 in fiscal year 1994. What is the reason for this increase?

Mr. TOWNSEND. The fiscal year 1993 travel amount is composed of \$333,500 in travel associated with activities in the Departmental Administration staff offices and \$184,094 associated with the start-up of the Info Share program. The fiscal year 1994 travel amount is composed of \$283,000 associated with the staff offices and \$2,109,000 associated with the first full year of operation of Info Share. The net increase is exclusively associated with the Info Share program, which requires substantial travel to meetings, training sessions, or conferences. Employees are located in multiple sites and site visits are frequently required to rural areas in order to research and implement the large number of pilot projects and to assure that business needs are being identified and met.

#### OBJECT CLASS INCREASE

Mr. DURBIN. Object class 23.3 communications, utilities and miscellaneous charges, is projected to increase from \$2,002,000 in fiscal year 1994 to \$26,464,000 in fiscal year 1995. Why?

Mr. TOWNSEND. The entire increase is an investment attributable to Info Share programs designed to consolidate and optimize telecommunications systems at USDA. It covers the FTS 2000 voice communication charges resulting from the consolidation of telephone systems in the field offices. This investment will ultimately reduce Departmental telecommunications costs in the future.

Mr. DURBIN. Provide a breakout of object class 25.2, other services, for fiscal years 1993 through 1995.

Mr. TOWNSEND. I will provide the information for the record.

[The information follows:]

#### DEPARTMENTAL ADMINISTRATION/INFO SHARE

[Dollars in thousands]

Subobject 25.2	Fiscal year		
	1993	1994	1995
Info Share program:			
Systems analysis, programming, and design services .....	\$2,411	\$657	\$19,858
Intra-agency services (computer time) .....	30	449	1,500
Facility site renovations .....	80	260	1,900
Operations and Maintenance contracts .....	25	448	2,900
Subtotal info share subobject 25.2 .....	2,546	1,814	26,158
Departmental Administration:			
Repair Maintenance Agreements .....	272	204	151
Security Investigations .....	0	0	0
Training, Tuition, etc .....	28	216	160
Fees/Charges .....	3	2	1
Hardware/Software Maintenance .....	119	89	66
Facilities Operations/Other Service Contracts .....	103	77	57
Equipment User/Fixed Ownership .....	18	13	10
NFC Services .....	173	130	97
Design Center Services .....	13	10	7
Video and Film Services .....	52	39	29
Computer Services .....	854	640	475
Agreements, Misc. Service .....	17	13	10
Reimbursable Details .....	12	9	7
Telephone Equipment .....	31	23	17
Health Unit, Health Care .....	105	79	59
Other Nontravel expenses .....	8	6	4
Other Services Contracts .....	204	154	115
Subtotal DA subObject 25.2 .....	2,272	1,704	1,265
Total subobject 25.2 .....	4,818	3,518	27,423

Note.—Amounts in FY 1994–95 reflect administrative cost reductions.

#### OBJECT CLASS TABLE FOR EACH STAFF OFFICE

Mr. DURBIN. Please update the tables that appear on pages 856 through 863 showing a separate object class table for each staff office within Departmental Administration to include fiscal year 1993 actual and fiscal year 1995 estimates.

Mr. TOWNSEND. I will provide for the record a separate object class table for each office within Departmental Administration

[The information follows:]

Object Class Breakout  
Direct Obligations

DEPARTMENTAL ADMINISTRATION  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	17,010	19,206	21,237	2,031
11.3	671	0	148	148
11.5	431	259	276	17
11.9	18,112	19,465	21,661	2,196
12.1	2,745	3,327	3,794	467
13.0	7	9	13	4
21.0	334	283	1,843	1,560
22.0	7	16	16	0
23.2	8	30	25,554	25,524
23.3	744	902	940	38
24.0	334	214	218	4
25.0	2,372	1,704	36,851	35,147
26.0	379	244	386	142
31.0	500	107	27,031	26,924
41.0	0	0	0	0
99.0	25,542	26,301	118,307	92,006

Object Class Breakout  
Direct Obligations

OFFICE OF PERSONNEL  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	2,898	4,137	4,187	50
11.3	554	0	0	0
11.5	139	64	64	0
11.9	3,591	4,201	4,251	50
12.1	510	831	831	0
13.0	2	0	0	0
21.0	88	45	45	0
22.0	1	3	3	0
23.2	8	0	0	0
23.3	123	231	231	0
24.0	124	33	36	3
25.0	676	122	122	0
26.0	144	62	62	0
31.0	187	26	407	381
41.0	0	0	0	0
99.0	5,454	5,554	5,988	434



Object Class Breakout  
Direct Obligations

OFFICE OF FINANCE AND MANAGEMENT  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	3,312	3,481	4,136	655
11.3	5	0	0	0
11.5	46	25	25	0
11.9	3,363	3,506	4,161	655
12.1	503	550	710	160
13.0	0	0	0	0
21.0	25	26	26	0
22.0	0	0	0	0
23.2	0	29	29	0
23.3	123	101	101	0
24.0	72	46	45	(1)
25.0	193	158	158	0
26.0	65	47	47	0
31.0	57	3	3	0
41.0	0	0	0	0
99.0	4,401	4,466	5,280	814

Object Class Breakout  
Direct Obligations

OFFICE OF OPERATIONS  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	2,255	2,325	2,518	193
11.3	10	0	0	0
11.5	133	37	52	15
11.9	2,398	2,362	2,570	208
12.1	423	434	515	81
13.0	1	4	8	4
21.0	70	70	112	42
22.0	1	1	1	0
23.2	0	0	0	0
23.3	120	130	168	38
24.0	24	20	30	10
25.0	167	153	199	46
26.0	49	50	58	8
31.0	17	15	19	4
41.0	0	0	0	0
99.0	3,270	3,239	3,680	441

Object Class Breakout  
Direct Obligations

OFFICE OF INFORMATION RESOURCE MANAGEMENT  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	3,922	4,100	4,162	62
11.3	19	0	0	0
11.5	53	67	67	0
11.9	3,994	4,167	4,229	62
12.1	583	575	563	(12)
13.0	2	0	0	0
21.0	61	38	38	0
22.0	2	3	3	0
23.2	0	0	0	0
23.3	224	307	307	0
24.0	64	55	55	0
25.0	933	915	469	(446)
26.0	73	43	43	0
31.0	83	42	326	284
41.0	0	0	0	0
99.0	6,019	6,145	6,033	(112)

Object Class Breakout  
Direct Obligations

INFOSHARE  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	0	0	694	694
11.3	0	0	148	148
11.5	0	0	0	0
11.9	0	0	842	842
12.1	0	0	169	169
13.0	0	0	0	0
21.0	0	0	1,514	1,514
22.0	0	0	0	0
23.2	0	0	25,524	25,524
23.3	0	0	0	0
24.0	0	0	0	0
25.0	0	0	35,586	35,586
26.0	0	0	122	122
31.0	0	0	26,243	26,243
41.0	0	0	0	0
99.0	0	0	90,000	90,000



Object Class Breakout  
Direct Obligations

OSDBU  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	302	468	475	7
11.3	38	0	0	0
11.5	9	5	5	0
11.9	349	473	480	7
12.1	54	96	96	0
13.0	0	0	0	0
21.0	17	16	16	0
22.0	0	2	2	0
23.2	0	0	0	0
23.3	7	1	1	0
24.0	1	2	2	0
25.0	24	18	18	0
26.0	1	2	2	0
31.0	14	3	3	0
41.0	0	0	0	0
99.0	467	613	620	7

Object Class Breakout  
Direct Obligations

OFFICE OF CIVIL RIGHTS ENFORCEMENT  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	3,055	3,282	3,628	346
11.3	45	0	0	0
11.5	51	56	58	2
11.9	3,151	3,338	3,686	348
12.1	506	634	700	66
13.0	2	5	5	0
21.0	64	71	75	4
22.0	2	4	4	0
23.2	0	0	0	0
23.3	96	75	75	0
24.0	37	39	31	(8)
25.0	265	229	190	(39)
26.0	33	23	35	12
31.0	112	6	27	21
41.0	0	0	0	0
99.0	4,268	4,424	4,828	404

Object Class Breakout  
Direct Obligations

OFFICE OF ADMINISTRATIVE LAW JUDGES  
(Dollars in Thousands)

Object Class	1993 Est.	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	1,073	1,217	1,238	21
11.3	0	0	0	0
11.5	0	5	5	0
11.9	1,073	1,222	1,243	21
12.1	139	170	173	3
13.0	0	0	0	0
21.0	2	4	4	0
22.0	0	2	2	0
23.2	0	0	0	0
23.3	51	57	57	0
24.0	12	19	19	0
25.0	101	109	109	0
26.0	14	17	17	0
31.0	29	11	2	(9)
41.0	0	0	0	0
99.0	1,421	1,611	1,626	15

Object Class Breakout  
Direct Obligations

EMERGENCY PROGRAMS  
(Dollars in Thousands)

Object Class	1993 Actual	1994 Current Estimate	1995 President's Budget	Change from Current Estimate
11.1	193	196	199	3
11.3	0	0	0	0
11.5	0	0	0	0
11.9	193	196	199	3
12.1	27	37	37	0
13.0	0	0	0	0
21.0	7	13	13	0
22.0	1	1	1	0
23.2	0	1	1	0
23.3	0	0	0	0
24.0	0	0	0	0
25.0	13	0	0	0
26.0	0	0	0	0
31.0	1	1	1	0
41.0	0	0	0	0
99.0	242	249	252	3



## TRANSFERS TO THE CHIEF FINANCIAL OFFICER

Mr. DURBIN. Funds were transferred from other USDA appropriations in fiscal year 1994 to fully fund the Chief Financial Officer, CFO, account. Where were these funds transferred from? How much was transferred from each account? What is the staff year level associated with the CFO?

Mr. WILLIAMS. I will provide a table for the record that identifies the source of funding. The staff year level for the Chief Financial Officer is five

[The information follows:]

*Transfers to the Chief Financial Officer—Fiscal Year 1994*

Transfer From:	Amount
Soil Conservation Service .....	\$25,000
Animal and Plant Health Inspection Service .....	54,000
Farmers Home Administration .....	54,000
Agricultural Research Service .....	53,000
Agricultural Stabilization and Conservation Service .....	54,000
Assistant Secretary for Economics .....	35,000
Assistant Secretary for Science and Education .....	35,000
Assistant Secretary for marketing and Inspection Service .....	70,000
5Total .....	380,000

Mr. DURBIN. What is the total cost to implement the CFO Act of 1990? When do you expect the Act will be fully implemented?

Mr. WILLIAMS. By its very nature, the CFO Act of 1990 will never be fully implemented, since it will provide ongoing benefits to USDA. As indicated to the Committee last year USDA has received no additional resources to date to implement the Act. We have however, reallocated resources from other purposes to fund the Office of the Chief Financial Officer and to perform certain activities related to the preparation and audit of financial statements.

The CFO's office is in the process of developing a 5-year strategic plan which identifies tasks and resources needed to fulfill all of the responsibilities of the CFO, including those included in the CFO Act. As indicated last year, we anticipate that resources for 32 additional positions including the 11 requested this year as well as funds for development and implementation of new financial information systems will be required to implement the Act.

Mr. DURBIN. What is the total amount, in both dollars and staff, the Department is currently spending to comply with this Act? Provide a breakout of these costs by agency?

Mr. WILLIAMS. The only additional resources USDA has expended to implement the Act are costs associated with appointing a Chief Financial Officer and hiring a Deputy Chief Financial Officer, which is 5 FTEs and \$575,000. The resources resulted from a shift of emphasis in activities.

USDA has received no additional resources to implement the CFO Act. USDA reallocated resources from other critical activities for the preparation and audit of financial statements as required by the CFO Act. I will provide a table for the record which shows the funds reallocated for financial statement preparation and audit.

[The information follows:]

	Amount	Staff years
Office of Inspector General .....	\$6,694	88
USDA Program Agencies .....	2,173	36
Departmental Administration .....	425	8
Total, USDA .....	<u>\$9,292</u>	<u>132</u>

#### IMPLEMENTATION OF CFO ACT

Mr. DURBIN. The majority of funding for the implementation of the Act was coming from the Office of Inspector General. Now that CFO office has been established, will this change?

Mr. WILLIAMS. Now that the Office of the CFO has been established, we anticipate that we will be able to prepare more readily auditable financial statements, which in turn, we hope, will reduce the effort devoted by the OIG to perform the audit. However, the OIG must continue to devote the resources which the IG feels is necessary to appropriately perform the audit responsibilities.

The CFO's office has developed a draft long-term plan for providing financial management leadership and service to support quality program delivery in USDA. The plan addresses steps that need to be taken and resources required to implement the CFO Act, the Government Performance and Results Act, the Federal Manager's Financial Integrity Act, and the National Performance Review recommendations; built a productive, quality-oriented financial management workforce, strengthen USDA's financial community, improve USDA's financial management information systems; and provide high quality customer service. In years to come, the CFO's office together with USDA's financial community plan to work more closely with program managers, USDA's budget office, and the Inspector General's office to ensure that the needs of USDA's customers are met.

#### REQUIREMENTS OF THE CFO ACT

Mr. DURBIN. Provide a list, for the record, of all requirements of the CFO Act, identifying those that have been implemented to date.

Mr. WILLIAMS. I will provide that information for the record. Please note that many of the requirements of the CFO Act are in different stages of implementation and many have not yet been initiated.

[The information follows:]

RESPONSIBILITIES UNDER THE CFO ACT OF 1990In Place

Report directly to the head of the agency regarding financial management matters.

Make recommendations to the head of the agency regarding selection of the Deputy Chief Financial Officer of the agency.

In Various Stages of Implementation:

Provide financial management advice to the Secretary and Subcabinet officials.

Oversee all financial management activities relating to the programs.

Establish financial management policies for the agency and its component parts.

Prepare and transmit an annual report to the agency head and the Director of OMB

Preparation of agency 5-year financial management plans

Develop and maintain an integrated agency accounting and financial management system providing information prepared on a uniform basis and responsive to the financial information needs of agency management for:

financial reporting and internal controls;

integration of accounting and budgeting information.

systematic measurement of performance

Ensure compliance throughout the agency and its component parts, with applicable accounting standards and principles and financial information and systems functional standards (including the Standard General Ledger and the Core Requirements for Financial Systems).

Establish, review and enforce throughout the agency internal control policies, standards and compliance guidelines involving financial management (including authority to require and ensure timely corrective actions regarding material weaknesses disclosed through audit findings and reports under the Federal Managers' Financial Integrity Act (FMFIA).

Establish, in coordination with program managers, agency-wide internal control processes; advise the agency head on the accuracy and completeness of the annual FMFIA report, and participate in monitoring and requiring corrective actions on reported material weaknesses (especially high-risk areas listed in the President's budget).

Ensure adequate controls over cash management operations; credit management and debt collection operations; and real property, equipment and inventories.

Direct, manage and provide policy guidance and oversight of implementation of asset management systems (including cash and credit management, debt collection and property and inventory management and control).

Manage directly, monitor, evaluate and approve the design, budgeting, development, implementation, operation and enhancement of agency-wide and agency component accounting, financial and asset management systems.

Develop and maintain an integrated agency accounting and financial management system providing information prepared on a uniform basis and responsive to the financial information needs of agency management for development and reporting of cost information.

Mandate agency-wide and for agency program and financial components, data and report format requirements (consistent with OMB guidance).

Prepare consolidated and/or combined agency financial statements and work with the Inspector General and other auditors to improve the statements' independent review and auditability.

Develop, in coordination with program managers, financial and programmatic performance indicators for inclusion in financial systems and financial reports and statements.

Ensure that data included in financial reporting (including program performance measures) become auditable.

Monitor the development of accounting standards by FASAB and other central guidance agencies and implement those standards in USDA.

Develop financial information standards and definitions; maintain, revise and refine the standards and assist operating agencies in their implementation.

#### Not Yet Initiated

Direct, manage and provide policy guidance and oversight of agency financial management personnel, activities and operations.

Development of an agency financial management budget.

Evaluate, when appropriate, the installation and operation of systems to provide financial and programmatic data (including performance measures) to agency financial management systems.



Ensure that program information systems provide financial and programmatic data (including program performance measures) on a reliable, consistent and timely basis to agency financial management systems.

Approve the selection of the heads of agency component financial management activities.

Approve job descriptions and skill requirements for the heads of agency component financial management activities.

Participate with agency component heads in the annual performance evaluations of the heads of agency component financial management activities.

Provide agency-wide policy advice on the qualifications, recruitment, performance, training and retention of all financial management personnel, better to ensure a cadre of qualified financial management professional throughout the agency

Monitor and approve the structure of budget execution (including agency requests for apportionment and agency allotments).

Monitor the financial execution of the budget of the agency in relation to actual expenditures, and prepare and submit to the head of the agency timely performance reports.

Review, on a biennial basis, the fees, royalties, rents and other charges imposed by the agency for services and things of value it provides, and make recommendations on revising those charges to reflect costs incurred by it in providing those services and things of value

Ensure timely and accurate information on contract disbursements in relation to projected costs and actual commitments and test results (if any), including cost estimates for major procurements.

Provide guidance and oversight of the approval and management of agency financial management systems design or enhancement projects

Approve the design for other information systems that provide, at least in part, financial and/or program performance data used in financial statements, solely to ensure that CFO needs are met.

Review and approve financial reports and statements prepared by agency components for transmittal to the agency head, OMB, the President, the Congress or external groups

Advise and provide direction to program managers on financial management matters

Review all major legislative and other programmatic proposals (including major procurements and changes in credit programs) in order to provide advice to the head of the agency on Federal cost and program benefit estimates

Approve planning, budget formulation and legislation affecting financial management (FTE, salaries an expenses, systems, other equipment) at both he agency and agency component levels.

## RESOURCES IN FY 1995

Mr. DURBIN. The CFO assumes responsibility of the Office of Finance and Management. A separate appropriation of \$5,280,000 is being requested for this office in fiscal year 1995. Please provide a table showing the resources both dollars and staff, of this office for fiscal year 1990 through 1993 and estimates for fiscal years 1994 and 1995.

Mr. WILLIAMS. I would be pleased to provide the information for the record.

[The information follows:]

Fiscal year	Appropriation	Staff years
1990 .....	\$3,921,000	70
1991 .....	\$4,024,380	61
1992 .....	4,343,700	62
1993 .....	4,400,657	64
1994 .....	4,466,000	76
1995 .....	5,280,000	87

## OCCUPATIONAL SAFETY AND HEALTH

Mr. DURBIN. One of the activities of the Office of Finance and Management is to develop and evaluate programs in occupational safety and health. How does this relate to finance and management?

Mr. TOWNSEND. Occupational health programs and issues were previously considered management programs and assigned to OFM. The Safety and Health Management Division was transferred to the Office of Personnel in 1993 because it was determined these are human resource related activities.

## TAX REFUND OFFSETS

Mr. DURBIN. During fiscal year 1993, the Office of Finance and Management assisted in the collection of over \$13 million for tax refund offsets. What was the cost to the Department to collect this money?

Mr. WILLIAMS. The total cost to the Department to collect the \$13 million was approximately \$1.1 million. Of this total cost, approximately \$179,000 was paid to the Internal Revenue Service and the Department of the Treasury's Financial Management Service for offset related costs. Most of the remaining costs consist of staff time.

## FIVE YEAR STRATEGIC PLAN

Mr. DURBIN. The Department is developing a five-year strategic plan. Describe this plan in further detail.

Mr. WILLIAMS. The OFM/NFC began the development of its five-year strategic plan in late FY 1993. The mission and vision statements and the guiding principles were developed by September 30, 1993.

The OFM/NFC is currently in the process of developing general goals and objectives which are supportive of and consistent with the CFO strategic plan. The general goals will be developed around

the four focal points identified in the OFM/NFC vision statement. The objectives in support of these general goals will be derived from: CFO supporting task plans; division directors input on priority items that were identified in an exercise conducted in November 1993—Contractor review, SYNEX/Logicon; operational activities, such as Budget, IRM plan, Acquisition plan, and project plans; and audit recommendations.

The information to be included in the strategic plan will be categorized to ensure consistency of level and format. Project initiatives will all be at the same level which is a more detailed level than specific goals and objectives which, in turn, is more detailed than the general goals and objectives. This step should be completed by the end of April 1994.

An initial draft of the strategic plan will be ready for review by the CFO and OFM Headquarters by June 1. This plan, when approved, will be effective for Fiscal Years 1995 through 1999.

#### RENT AMENDMENT

Mr. DURBIN. Since the time the original budget request was submitted to Congress in early February, there has been an amendment to the GSA rental payments account. Would you please describe this amended request.

Mr. TOWNSEND. This amendment was due to GSA identifying rental rate reductions by agency and bureau for governmentwide savings during fiscal year 1995. It reduces the rent payment to GSA from \$90,303,000 to \$87,957,000 a difference of \$2,346,000.

#### RENT AMENDMENT OBJECT CLASS AND PROJECT STATEMENT TABLES

Mr. DURBIN. Please provide the Committee with new object class and project statement tables reflecting the amended budget request.

Mr. TOWNSEND. I will provide for the record new object class and project statement tables reflecting the amended budget request.

[The information follows:]

#### AGRICULTURE BUILDINGS AND FACILITIES CLASSIFICATION BY OBJECTS

[1993 and Estimated 1994 and 1995]

	1993	1994	1995
Personnel Compensation: Headquarters .....	\$3,711,087	\$4,492,000	\$4,533,000
11 Total personnel compensation .....	3,711,087	4,492,000	4,533,000
12 Personnel benefits .....	693,427	809,000	817,000
13 Benefits for former personnel .....	1,943	4,000	4,000
Total personnel compensation and benefits .....	4,406,457	5,305,000	5,354,000
Other objects:			
21 Travel .....	19,658	25,000	26,000
22 Transportation of things .....	3,216	5,000	5,000
23.1 Rental payments to GSA .....	45,122,249	84,645,000	87,957,000
23.3 Communications, utilities and miscellaneous charges .....	5,301,261	5,439,000	5,397,000
24 Printing .....	35,457	35,000	36,000
25.2 Other services .....	19,372,415	38,503,000	15,918,000
26 Supplies and materials .....	574,009	629,000	621,000
31 Equipment .....	621,489	420,000	416,000
32 Land and Structures .....	176,705	143,000	20,727,000



## AGRICULTURE BUILDINGS AND FACILITIES CLASSIFICATION BY OBJECTS—Continued

[1993 and Estimated 1994 and 1995]

	1993	1994	1995
Total direct obligations .....	75,632,916	135,149,000	136,457,000

## PROJECT STATEMENT

[On basis of adjusted appropriation]

Item of change	1993 actual		1994 estimated		Increase or decrease	1995 estimated	
	Amount	Staff years	Amount	Staff years		Amount	Staff years
Rental payments .....	\$49,932,916		\$84,644,993		+\$3,312,007	\$87,957,000	
BARC modernization .....			19,700,000		- 19,700,000		
3. Building operations and maintenance .....	25,656,396	86	30,804,000	87	- 12,126,000	18,678,000	84
4. Strategic space plan .....					+29,822,000	29,822,000	
Unobligated balance .....	43,604						
Total, available or estimate .....	75,632,916	86	135,148,993	87	1,308,007(1)	136,457,000	84
Transfer to:							
SCS .....	413,450		245,467				
FmHA .....	110,489						
NASS .....	46,145		108,504				
Total, transfers .....	+570,084		+354,007				
Total, appropriation	76,203,000	86	135,503,000	87			

## GSA COSTS AND CHARGES

Mr. DURBIN. Please provide the Committee with a list, similar to the one provided last year, of selected examples of rental costs GSA pays for some space it leases to USDA, the amount that GSA charges USDA for this space, and the percent these charges exceed the lease cost for fiscal year 1993.

Mr. TOWNSEND. I will provide such a list for the record.

[The information follows:]

TABLE OF SELECTED EXAMPLES  
OF SPACE ASSIGNMENTS  
FROM THE GENERAL SERVICES ADMINISTRATION

This table identifies rental costs GSA pays for space it assigns to USDA, the amount that GSA charges USDA for the space, and the percent these charges exceed the lease cost for fiscal year 1993

Building Location	GSA Cost	USDA Cost	% Exceeds
General Office Bldg. Rt. 44A Mansfield Center, CT	\$100,956	\$141,179	40%
34 Market St. Everett, MA	\$30,013	\$49,524	65%
Tannestfield Plaza Mt. Holly, NJ	\$92,317	\$125,421	36%
Hunt Valley Prof. Bldg. 9 Schilling Rd. Lutherville, MD	\$27,179	\$35,194	29%
Langley I Building 120 N. Langley Rd. Glen Burnie, MD	\$20,603	\$27,148	32%
Lewis Hall Annex Western MD College Westminister, MD	\$67,202	\$90,682	35%
3301 Galloway Philadelphia, PA	\$23,585	\$31,334	33%
Five Radnor Corp. Ctr. Matsonford Rd. Radnor, PA	\$521,293	\$634,028	22%
Nekiva Executive Ctr. 1706 E. Semoran Blvd. Apopka, FL	\$20,208	\$24,554	22%
5700 Lake Worth Rd. Lake Worth, FL	\$28,295	\$35,111	24%
Woodward Building 1222 Woodward Ave. Orlando, FL	\$74,574	\$114,506	54%

Building Location	GSA Cost	USDA Cost	% Exceeds
3231 Ruckriegle Pkwy. Louisville, KY	\$14,088	\$21,538	53%
2001 Office Park 2001 Airport Rd. Jackson, MS	\$12,608	\$16,230	29%
Angus Building 6301 E. Angus Dr. Raleigh, NC	\$14,826	\$20,237	36%
6400 Building Cornelison Rd. Chattanooga, TN	\$21,722	\$28,394	31%
Brooks Building 274-278 East Main St. Gallatin, TN	\$42,592	\$47,906	12%
Willow Trace 830 Fesslers Pkwy Nashville, TN	\$12,218	\$16,980	39%
2865 Via Verde Springfield, IL	\$21,722	\$27,771	28%
1300 East Main St Danville, IN	\$17,159	\$19,539	14%
Bolander Bldg. 251 Starkey St St. Paul, MN	\$29,647	\$38,217	29%
2288 Grange Hall Rd. Beaver Creek, OH	\$25,298	\$35,718	41%
Leawood Office Bldg. 8700 State Line Leawood, KS	\$61,039	\$95,641	57%
632 SW Van Buren Topeka, KS	\$150,353	\$181,603	21%
Olson Building 512 S. 7th St. Lincoln, NE	\$84,819	\$98,855	17%
2113 Osuna Rd., NE Albuquerque, NM	\$233,936	\$306,222	31%

## HEADQUARTERS COMPLEX RENTAL CHARGES

Mr. DURBIN. Update the table that appears on page 789 of last year's hearing record showing the amount GSA charged USDA for the four buildings owned by GSA, but occupied by USDA to include fiscal year 1994.

Mr. TOWNSEND. An updated table will be provided for the record. [The information follows:]

## HEADQUARTERS COMPLEX RENTAL CHARGES

	Administration building	Agriculture annex	South building	Auditors building
Fiscal year:				
1981	1 <sup>NA</sup>	1 <sup>NA</sup>	1 <sup>NA</sup>	1 <sup>NA</sup>
1982	1 <sup>NA</sup>	1 <sup>NA</sup>	1 <sup>NA</sup>	1 <sup>NA</sup>
1983	\$1,859,496	\$461,608	\$14,225,076	\$558,240
1984	2,077,284	520,032	14,320,032	651,480
1985	4,009,740	833,448	14,320,032	1,287,040
1986	4,030,348	838,208	14,146,532	1,287,040
1987	4,143,192	1,016,304	24,520,656	2 <sup>NA</sup>
1988	4,873,616	1,195,652	28,546,320	2 <sup>NA</sup>
1989	4,945,876	1,079,164	29,125,304	2 <sup>NA</sup>
1990	5,057,796	1,208,180	29,677,452	2,266,420
1991	5,241,095	1,259,653	30,871,540	2,531,864
1992	5,997,308	1,349,508	33,541,482	3,236,076
1993	6,083,882	1,428,235	35,498,557	3,652,898
1994	6,235,799	1,463,718	36,383,591	3,749,105

<sup>1</sup> Prior to the creation of the Rental Payments to GSA Appropriation in fiscal year 1983, agencies were individually charged for space and a Departmental Administration level is not available.

<sup>2</sup> The Auditors Building was vacated for renovation from 1987 until 1989.

## GSA SPACE RENTAL ESTIMATES

Mr. DURBIN. What were GSA's charges to USDA for the National Capital Region for both owned and leased space in fiscal years 1992 through 1994?

Mr. TOWNSEND. I will provide a table for the record to show these amounts.

[The information follows:]

## GSA SPACE ESTIMATES

	Annual 1992	Annual 1993	Annual 1994
Owned	\$44,124,374	\$46,663,572	\$47,828,213
Leased	21,815,961	20,923,746	21,734,057
Total	65,940,335	67,587,318	69,562,270

## RENTAL PAYMENTS AND GSA REPAIR COSTS

Mr. DURBIN. Please update the table that appears on page 790 of last year's hearing record showing the amount of rental payments made to GSA and the amount spent by GSA for repairs to include fiscal year 1993 and 1994.

Mr. TOWNSEND. I will provide the information for the two tables for the record.

[The information follows:]

## Rental payments to GSA

1985	\$52,766,671
1986	47,751,006



1987 .....	48,728,000
1988 .....	45,857,311
1989 .....	46,363,000
1990 .....	44,788,846
1991 .....	46,120,802
1992 .....	45,679,002
1993 .....	44,932,917
1994 .....	84,647,593

*Estimated costs of repair contracts awarded by GSA—fiscal years 1985-94<sup>1</sup>*

Administration building .....	\$3,720,518
Annex building .....	2,033,605
Auditors building—renovation included .....	13,163,236
South building .....	6,062,630
West auditors building—removed from the USDA inventory in 1988 .....	680,000
<b>Total estimate .....</b>	<b>25,659,989</b>

<sup>1</sup>Includes contracts awarded through April 21, 1994.

### HISTORY OF GSA ESTIMATES

Mr. DURBIN. Also update the table that appears on page 798 of last year's hearing record showing the amount GSA charged USDA, the amount that was requested to the Secretary, the amount of the Secretary's request to OMB, and the OMB allowance to include fiscal year 1994 actual and fiscal year 1995 estimates.

Mr. TOWNSEND. The table I will provide will outline the GSA estimates for the portion of space and related services that are paid from this central appropriation. These estimates will not include space and related costs from trust funds, revolving funds, reimbursements, or from Forest Service appropriations, since the Forest Service is funded in the Interior and Related Agencies Appropriations Act.

[The information follows:]

### HISTORY OF GSA ESTIMATES AND REQUESTS

[In thousands of dollars]

Fiscal year:	GSA rental estimate	Request to Secretary	Request to OMB	OMB allowance
1984 .....	69,402	69,402	69,402	69,402
1985 .....	67,254	67,254	67,254	67,254
1986 .....	77,193	69,092	69,092	59,500
1987 .....	78,027	72,601	63,401	57,380
1988 .....	92,647	70,319	57,380	56,407
1989 .....	93,442	80,499	56,407	56,407
1990 .....	93,993	94,573	50,659	50,659
1991 .....	98,452	88,736	49,305	49,305
1992 .....	105,136	93,057	53,052	51,598
1993 .....	110,395	83,159	50,808	50,503
1994 .....	132,742	54,104	50,503	84,999
1995 .....	147,936	88,057	90,303	87,957

### BUILDING EVALUATION

Mr. DURBIN. At last year's hearing the Committee was told that GSA had recently begun building evaluations of the Administration and Annex Buildings. What is the status of these evaluations?

Mr. TOWNSEND. Two submissions of each building evaluation, a building condition report and a building engineering report, were sent to us for review by GSA during the period April 1993 through October 1993. We reviewed these documents and provided our comments to GSA. We have been advised by GSA that the evaluations have been completed, and GSA is sending us copies.

#### EMPLOYEES MAINTAINING BUILDINGS

Mr. DURBIN. How many employees do you have working to maintain the Headquarters Complex buildings?

Mr. TOWNSEND. The total number of employees working to repair, improve, modernize, and protect these buildings is 70 full-time government employees and 234 full-time service contract employees. In addition to our full-time employees, there are two architect-engineer professional services consulting firms with about 165 personnel, and construction contractors with about 165 personnel are currently working on our construction projects. Most of these employees, however, are not working full-time on USDA projects.

Mr. DURBIN. Please provide a table showing the number of Federal employees as well as the number of contract employees that maintain these buildings for fiscal years 1989 through 1993 and estimates for fiscal years 1994 and 1995. Also include in this table the cost of these employees.

Mr. TOWNSEND. I will provide for the record a table showing the number of employees and costs. The table reflects the number of Federal employees working on preventative maintenance in the Headquarters complex. The cost associated with contract employees cannot be separated from the total costs of the services of each contract. Therefore, the costs shown in the table for contract employees reflects the costs for maintenance contracts.

[The information follows:]

#### FEDERAL AND CONTRACT EMPLOYEES FOR BUILDING MAINTENANCE

	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993
Federal employees .....	10	11	11	10	10
Costs .....	\$345,703	\$359,332	\$344,235	\$352,552	\$352,137
Contract employees .....	35	35	35	35	35
Contract costs .....	\$3,277,655	\$3,026,068	\$3,878,347	\$3,377,505	\$3,664,583

	FY 1994 estimate	FY 1995 estimate
Federal employees .....	10	10
Costs .....	\$366,927	\$383,805
Contract employees .....	35	35
Contract costs .....	3,049,979	3,190,278

#### WINDOW RESTORATION

Mr. DURBIN. You have been working on a project to restore approximately 4,600 windows in the South Building since fiscal year 1988. What is the status of this project? When do you anticipate completion? What has been the cost of the project to date? What is the estimated total cost of the project?

Mr. TOWNSEND. Since 1988, we have restored all the windows on the exterior facades and windows in courts 1, 2, and 4. GSA re-

stored approximately 560 windows on the South facade in 1987. The court 5 and court 3 windows are now being restored under separate contracts awarded in fiscal years 1993 and 1994 respectively. These contracts are expected to be completed in early 1995. Total construction funds spent by USDA to date are \$7,639,631. A contract to restore approximately 500 windows in court 6 is scheduled to be awarded in FY 1994 at an estimated cost of \$1.2 million, which will complete the entire wood window restoration project for the South Building. The total amount spent on the restoration by USDA is expected to be about \$8.84 million.

Mr. DURBIN. Last year the Department provided a table for the record showing the cost of the program by fiscal year, location, and number of windows involved. Would you update this table for us?

Mr. TOWNSEND. I will provide for the record an updated table of the window project.

[The information follows:]

#### WINDOW RESTORATION PROGRAM—SOUTH BUILDING

	Number of win- dows <sup>1</sup>	Costs
Fiscal year and location:		
1988—E. W. and part N facades .....	700	\$1,118,154
1989—Complete N facade .....	400	759,200
1990—Court 2 .....	500	1,236,350
1991—Court 1 .....	450	1,219,090
1992—Court 4 .....	<sup>2</sup> 500	1,344,617
1993—Court 5 .....	<sup>2</sup> 500	1,045,000
1994—Court 3 .....	482	917,220
Construction costs to date .....		7,639,631

<sup>1</sup> Numbers of windows approximate.

<sup>2</sup> Contracts include masonry repairs.

#### BREAKOUT OF OBJECT CLASS 25.2

Mr. DURBIN. Provide a breakout of object class 25.2, other services, for fiscal years 1993 through 1995.

Mr. TOWNSEND. I will provide for the record a table that breaks out object class 25.2, other services.

[The information follows:]

#### BUILDINGS AND FACILITIES OBJECT CLASS 25.2

Other services	FY 1993 actual	FY 1994 estimate	FY 1995 estimate
Repairs and alterations .....	\$9,603,394	\$7,518,211	\$3,042,221
Tuition .....	33,417	30,000	15,000
Fees and other charges .....			
Software and hardware maintenance .....			
Operation of facilities or other service contracts .....	5,701,019	5,957,673	6,255,576
Total .....	15,337,830	13,505,884	9,312,797

#### COLLOCATION PILOT PROJECTS

Mr. DURBIN. Three collocation pilot projects are currently underway. Was there any initial up front costs to consolidating these offices? If so, what were they?



Mr. TOWNSEND. To date, the Davis, Kansas City, and Ft. Collins collocation projects have not resulted in any upfront costs to USDA.

#### FORESTRY RESEARCH ADVISORY COUNCIL

Mr. DURBIN. You are proposing to include additional appropriation language to allow the Department of Interior to participate in cost sharing for the Forestry Research Advisory Counsel. The justification for this request is based on a General Provision in the Treasury, Postal Service, and Government Appropriations Act of 1994 which states that no part of an appropriations act is available for interagency financing of boards, commissions, or committees which do not have specific approval for interagency funding. Is this provision being proposed as part of the fiscal year 1995 budget request for Treasury?

Mr. TOWNSEND. This provision is proposed for deletion in the fiscal year 1995 budget request. However, USDA must include this language as part of its request in case the Congress decides to continue to include the provision in the Treasury, Postal Service, and Government Appropriations Act.

Mr. DURBIN. There are a number of advisory committees that involve interagency participation. Why is the Forestry Research Advisory Council being singled out?

Mr. TOWNSEND. The charter of the Forestry Research Advisory Council allows for the Cooperative State Research Service—CSRS—and Forest Service—FS—to provide support to the Council. CSRS receives funds through the appropriation for the Department of Agriculture while FS funding is included in the Department of Interior Appropriation. In addition, the appropriation language provides that no other funds appropriated to the Department of Agriculture through the agriculture appropriation act shall be available for support of advisory committee activities.

Mr. DURBIN. How much funding did the Council receive in fiscal year 1993? What is the proposed funding level in fiscal year 1994 and 1995? How much of this will come from the Forest Service, the Cooperative State Research Service, and the Advisory Committees account?

Mr. TOWNSEND. In fiscal year 1993 the Forestry Research Advisory Council, FRAC, was allocated \$16,000 of which \$3,195 was obligated. FRAC did not meet in fiscal year 1993 because the charter and membership were pending approval. The funds obligated were related to the charter and membership approval process. In fiscal years 1994 and 1995, \$20,000 has been proposed. All of these funds come from the USDA Advisory Committees account. CSRS will not contribute funds for FRAC because of the prohibition in the USDA Advisory Committees appropriation language. Until it is determined if Forest Service can contribute to the costs of FRAC, the amount of the Forest Service contribution is not known.

#### ADVISORY COMMITTEES OBJECT CLASS INCREASE

Mr. DURBIN. Object class 25.3, purchase of goods and services from other government accounts, appears in the explanatory notes for the first time this year. Please describe this object class and tell us why you propose to increase it from \$60,568 in fiscal year 1993 to \$115,000 in fiscal year 1995.



Mr. TOWNSEND. Object class 25.3 pertains to Repair, Alteration or Maintenance of Equipment, excluding office equipment, Furniture or Structure. The object class should be 2570, Miscellaneous Services. The proposed increase is part of the reserve that will be allocated once the specific need for anticipated committee activities are identified.

Mr. DURBIN. Also, tell us why object class 26, supplies and materials, is projected to increase from \$5,794 in fiscal year 1993 to \$16,000 in fiscal year 1994.

Mr. TOWNSEND. Some of the committees anticipate holding additional meetings in fiscal year 1994. When meetings are held the committees sometimes rent ADP related supplies and have to provide additional copier services for materials distributed at meetings.

#### ADVISORY COMMITTEES STAFF COSTS

Mr. DURBIN. USDA agencies are allowed to obligate funds for portions of salaries and benefits for staff time devoted to support advisory committees. Provide a table showing the breakout of funds obligated for this purpose by agency.

Mr. TOWNSEND. I will provide a table showing the breakout of funds obligated for this purpose by agency for the record.

[The information follows:]

Agency	Salaries	Benefits	Total
FNS .....	\$21,000	\$5,000	\$26,000
HNIS .....	36,000	5,000	41,000
ARS .....	4,000	1,000	5,000
CSRS .....	145,000	37,000	182,000
FGIS .....	6,000	1,000	7,000
FSIS .....	68,000	15,000	83,000
APHIS .....	16,000	3,000	19,000
AMS .....	26,000	5,000	31,000
FAS .....	110,000	19,000	129,000
ERS .....	27,000	6,000	33,000
OCRE .....	26,000	4,000	30,000
Total .....	485,000	101,000	586,000

Mr. DURBIN. Two committees were terminated during fiscal year 1993 the President's Council on Rural America and the Advisory Committee on Welfare Simplification and Coordination. What were the final recommendations of each of these committees and what actions are being taken to implement these findings and recommendations?

Mr. TOWNSEND. The primary recommendation of the Welfare Simplification and Coordination Committee was to replace the numerous programs that currently serve the needy with one family-focused, client-oriented, comprehensive program. The three criteria for the program would be: simplicity of design; service tailored to need—three broad, time-based categories of assistance, short-term, extended, and long-term; with a single case manager for each family; and benefits contingent upon progress toward self-sufficiency.

The President's Working Group on Welfare Reform, Family Support and Independence is currently developing a plan for reforming the welfare system that addresses the criteria recommended by the Committee. Both groups, through public hearings, visits to local

welfare offices, and conversations with clients and staff, arrived at the same conclusion—there is a serious need for a simpler, more coordinated welfare system.

The Department of Agriculture is granting waivers of Federal regulation to States that wish to experiment with program changes aimed at increasing the efficiency of the Food Stamp Program or to improve the delivery of benefits to eligible clients.

The President's Council on Rural America completed work and delivered a report. "Revitalizing Rural America through Collaboration," to then President Bush, in August 1992. The 24 page report contained 8 specific recommendations. The mandate for the Council expired December 1992.

I will provide a list of the recommendations and actions being taken to implement them for the record.

[The information follows:]

1. Recommendation: The President should appoint a permanent Senior White House Advisor, with responsibility to advise the President on rural development issues and for providing White House leadership to the Federal Government's participation in rural development activities.

Action: None.

2. Recommendation: The President should continue to show strong support for the White House Policy Coordinating Group/Working Group on Rural Community Development. We also strongly recommend that each Federal department or agency designate a rural affairs officer as a member.

Action: This group has been disbanded. Some of its functions have been taken over by the Community Enterprise Board.

3. Recommendation: The President should establish a permanent President's Advisory Council on Rural America comprised of private sector individuals who represent the diversity and uniqueness of rural America.

Action: None. The National Rural Development Council has several private sector organizations as members.

4. Recommendation: We urge each Governor to establish a Governor's Advisor on Rural Community Development to perform a role similar to the Senior White House Advisor on Rural Development.

Action: Some Governors have an office of rural affairs or advisors on rural community development.

5. Recommendation: We urge each Governor to establish a State Government Working Group on Rural Community Development. The Group's responsibilities should be to develop, gain approval for, and implement state strategies to achieve rural development, and to manage interdepartmental rural development issues.

Action: Some states use their Rural Affairs Council to accomplish these goals. New York has two groups: The New York Rural Legislative Commission and the Governor's Office of Rural Affairs.

6. Recommendation: We urge all states to create a Governor's Advisory Council on Rural Community Development composed of representatives from the private sector, to work in similar ways to the President's Council on Rural America.

Action: Some states, such as Illinois have such a council. Nebraska merged its Governor's Commission with the Nebraska Rural Development Commission (SRDC).

7. Recommendation: We urge that continuing support be given to further the creation and maintenance of State Rural Development Councils in all states as a means for promoting cooperation between the Federal and state levels of government, local governments, and the private sector.

Action: Thirty seven states have established, or are in the process of establishing, State Rural Development Councils. Twenty-nine states have Executive Directors on board. In addition to establishing collaborative partnerships involving the following partner groups. Federal, state, local and tribal governments and the private sector, for-profit, not-for-profit and community based groups, the SRDCs have produced numerous positive results including.

Maine—Developing a coordinated affordable wetlands permitting process for cranberry growers to help expand and revitalize the cranberry industry in Maine. Under the old process a single permit could run between \$25,000 to \$100,000.

South Dakota—The Council worked to remove a separate audit requirement on community facilities loans for small communities. Federal regulations already mandated a community wide audit. The case in point was the \$146,700 loan for the town



of Hecla, South Dakota. This separate audit requirement would have cost the community \$182,000 over the 40 year life of the loan. The Council raised the issue to the Monday Management Group (now the National Rural Development Council) and was able to get FmHA to agree that no additional audits would be required for communities with annual gross incomes of less than \$500,000. This action not only benefited the town of Hecla, South Dakota, but affects small communities across the country. It is estimated that the savings over the life of the loans will be more than \$400 million nationwide.

**Kansas**—Unified loan application form. Federal and state lending agencies worked together to develop a unified loan application for small business owners. This saved the business owners from having to fill out multiple loan applications and pay multiple fees. In concert with this effort the Kansas Rural Development Council has put together an electronic loan application tracking process based on a process developed by the Texas RDC.

8. **Recommendation:** We believe that both the Federal and State governments must redouble their efforts in gathering data and providing information, technical assistance, and assisting with long-term strategic planning activities.

The State Rural Development Councils have responsibility for building effective partnerships and long-term strategies for achieving economic and social progress within their states. They are needed to remove barriers and to provide a forum in which effective joint action can occur between Federal and state governments, as well as local governments, educational institutions, Indian tribes, and the private sector.

**Action:** Each SRDC develops a needs assessment and Strategic Plan using input from rural areas. These are updated annually. For instance, Oregon RDC meets monthly in rural areas of the state. The local residents not only present their needs to the council, they have an interactive session where they work together to find solutions.

#### ADVISORY COMMITTEES FUNDED FROM OTHER ACCOUNTS

**Mr. DURBIN.** This appropriation funds all authorized advisory committee activities except those included in the Forest Service or financed by user fees or other funds. Please provide a list, including the funding levels, of all committees funded through other accounts.

**Mr. TOWNSEND.** I will provide the information you requested for the record.

[The information follows:]

#### *Advisory Committees financed by Forest Service for fiscal year 1994*

Committee:	Funding level
Brule River (Wisconsin and Michigan) Study Committee .....	\$9,500
Carp River Study Committee .....	9,500
Committee of State Foresters .....	12,500
Florida National Scenic Trail Advisory Council .....	12,100
Grand Island Advisory Commission .....	37,300
Hawaii Tropical Forestry Recovery Task Force .....	105,000
Little Manistee River Study Committee .....	9,500
Mono Basin National Forest Scenic Area Advisory Board .....	1,900
National Urban and Community Forestry Advisory Council .....	45,500
Newberry National Volcanic Monument Advisory Council .....	14,250
Northern Allegheny National Wild and Scenic River Advisory Council .....	17,300
Ontonagon River Study Committee .....	9,500
Paint River Study Committee .....	9,500
Presque Isle River Study Committee .....	9,500
Southern Allegheny National Wild and Scenic River Advisory Council .....	17,300
Sturgeon River (Hiawatha National Forest) Study Committee .....	9,500
Sturgeon River (Ottawa) Study Committee .....	9,500
Tahquamenon River Study Committee .....	9,500
White River Study Committee .....	9,500
Whitefish River Study Committee .....	9,500

Wildcat River Advisory Commission .....	6,100
<b>Total:</b> .....	<u>373,750</u>

*Advisory Committee financed by Commodity Credit Corporation*

Emerging Democracies Advisory Committee .....	\$20,000
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*Advisory Committees financed by User Fees:*

National Advisory Committee for Tobacco Inspection Services .....	25,000
Flue-Cured Tobacco Advisory Committee .....	25,500
Burley Tobacco Advisory Committee .....	34,800
Plant Variety Protection Board .....	15,100
Advisory Committee on Universal Cotton Standards .....	11,150
<b>Total:</b> .....	<u>111,450</u>

**ADVISORY COMMITTEES RESERVED FUND**

Mr. DURBIN. You state that funds have been set aside in a reserve for the purpose of assisting and advising the Secretary as the Department begins restructuring its programs and activities through reorganization. How much has been set aside in fiscal year 1994 and what is this amount for fiscal year 1995?

Mr. TOWNSEND. For fiscal year 1994, an amount of \$64,889 and for fiscal year 1995, an amount of \$103,587 have been set aside in a reserve for the purpose of assisting and advising the Secretary of the Department begins restructuring its programs and activities through reorganization.

**ADVISORY COMMITTEES ESTABLISHED TARGET**

Mr. DURBIN. You are requesting an increase of \$49,000 for committee activities. The notes state that, and I quote, "Even with this increase, the committees do not exceed the target established by the Office of Management and Budget for this appropriation in fiscal year 1995." What is the target set by OMB?

Mr. TOWNSEND. The target set by OMB is \$977,000.

**ADVISORY COMMITTEES CURRENTLY FUNDED**

Mr. DURBIN. For the record, please provide a list of all advisory committees that are currently funded and identify which are statutory and which are discretionary.

Mr. TOWNSEND. I will provide the information you requested for the record.

[The information follows:]

**POLICY AREA AND COMMITTEE TITLE**

	Statutory	Discretionary
<b>Food and Consumer Services:</b>		
National Advisory Council on Maternal, Infant and Fetal Nutrition S .....		
National Advisory Council on Commodity Distribution .....	S .....	
Dietary Guidelines Advisory Committee .....		D
National Nutrition Monitoring Advisory Council .....	S .....	
<b>Science and Education:</b>		
National Agricultural Research and Extension Users Advisory Board. S .....		
Advisory Council for National Genetics Research .....	S .....	
Science and Education National Research Initiative .....		D
Animal Health Science Research Advisory Board .....	S .....	
Forestry Research Advisory Council .....	S .....	



## POLICY AREA AND COMMITTEE TITLE—Continued

	Statutory	Discretionary
Committee of Nine .....	S .....	
Agriculture Biotechnology Research Advisory Committee .....		D
Joint Council on Food and Agriculture Sciences .....	S .....	
Agriculture Science and Technology Review Board .....	S .....	
Advisory Council on National Sustainable Agriculture .....	S .....	
Marketing and Inspection Services:		
Federal Grain Inspection Advisory Committee .....	S .....	
National Advisory Committee on Meat & Poultry Inspection .....	S .....	
National Advisory Committee on Microbiological Criteria for Foods .....		D
Foreign Animal and Poultry Diseases .....		D
General Conference Committee of the National Poultry Improvement Plan .....		D
National Animal Damage Control .....		D
National Organics Standards Board .....	S .....	
International Affairs and Commodity Programs:		
Agricultural Policy Advisory Committee for Trade .....		D
Technical Advisory Committee for Trade in:		
Cotton .....		D
Fruits and Vegetables .....		D
Grain and Feed .....		D
Livestock and Livestock Products .....		D
Oilseeds and Oilseed Products .....		D
Poultry and Eggs .....		D
Tobacco .....		D
Dairy Products .....		D
<sup>1</sup> Sweeteners .....		D
Processed Food .....		D
<sup>1</sup> Fruits, Vegetables & Processed Foods .....		D
<sup>1</sup> Animal Products .....		D
<sup>1</sup> Oilseeds, Grain & Feed .....		D
<sup>1</sup> Tobacco, Cotton & Peanuts .....		D
Economics:		
National Agriculture Cost of Production Standards Review Board .....		S
Departmental Administration:		
Citizen's Advisory Committee on Equal Opportunity .....		D

The trade committees were reorganized in fiscal year 1994.

<sup>1</sup> currently funded.

## AGRICULTURAL TECHNICAL ADVISORY COMMITTEE

Mr. DURBIN. It is anticipated that an additional Agricultural Technical Advisory Committee will be established during fiscal year 1994 to represent products not currently represented by other committees. Has this committee been established? If so, what products does it represent?

Mr. TOWNSEND. No, it has not, Mr. Chairman. We want to wait until we can assess the effectiveness of the new Technical Advisory Committee structure to determine the best way to represent the constituent interests served by USDA.

## ADVISORY COUNCIL ON MATERNAL INFANT AND FETAL NUTRITION

Mr. DURBIN. The National Advisory Council on Maternal Infant and Fetal Nutrition held a meeting in October 1993 to focus on the recommendations for the 1994 report to the President and Congress. What were the Council's recommendations?

Mr. TOWNSEND. I will provide the Council's recommendations for the record. We expect the Council's report to be available in the next several months. We will provide you with copies at that time.

[The information follows:]

Issue 1: Full Funding of WIC. The Council recommends that:

- a) Policymakers use the most reliable and current data to establish the total funds required to make full funding a reality.
- b) Policymakers should ensure that full funding rectifies long standing inequities in State funding allocations.

Issue 2: The Impact of Full Funding on WIC. The Council recommends that:

- a) USDA should work with DHHS to develop strategies to support WIC State agency efforts to increase the number of staff needed to provide nutrition services.
- b) USDA should support State agency efforts to develop cultural competency-based training of WIC personnel.
- c) USDA should continue to promote and support breastfeeding in WIC.
- d) Congress should continue to authorize CSFP: also, coordination between CSFP and WIC should be WIC emphasized.
- e) Congress should extend USDA's legislative authority to provide for ADP grants to States.

f) USDA, DHHS and the Office of Management and Budget should examine circulars and regulations which may thwart WIC's mission.

Issue 3: Maintain Original Mission of WIC. The Council recommends that:

- a) Congress, in future program legislation, should reaffirm the original mission of WIC—the provision of nutritious supplemental foods; nutrition education; and health care referrals. The original mission should not be diluted with additional service requirements.

b) Congress should reaffirm WIC's nutrition education component; it should not be weakened with additional responsibilities added to the Program.

c) Congress should exempt WIC from providing voter registration services.

Additional Area of Concern—Folate: The issue of folate intake is addressed but no recommendation made. The Council does state, however, that it should be a role of DHHS, rather than WIC, to develop recommendations to the general population of women of childbearing age on folate consumption.

#### NATIONAL ADVISORY COMMITTEE ON COMMODITY DISTRIBUTION

Mr. DURBIN. One of the recommendations of the National Advisory Committee on Commodity Distribution, in its annual report to Congress, was to consider merging food assistance programs. Would you please describe this recommendation in further detail and tell us what the Department is doing in this area.

Mr. TOWNSEND. The Council recommended that Congress direct the Department to explore the feasibility of merging food distribution programs to increase the efficiency and effectiveness of service delivery. Two areas for possible consolidation were singled out: programs which serve older Americans, and programs which meet emergency food assistance needs, such as The Emergency Food Assistance Program, TEFAP, and the Soup Kitchen/Food Bank Program SK/FB. In keeping with the President's commitment to "reinvent government," USDA has begun to review the current complement of food assistance programs to determine whether changes in individual programs, or consolidation of programs, could better address the nutritional needs of low-income Americans. The recommendation that TEFAP and SK/FB be merged appears at this early stage of review to warrant serious study and consideration. Indeed, program legislation already recognizes the kinship of these two programs by making a single pool of administrative funding available for both, and by making some types of fairly specialized emergency assistance organizations eligible for both. The recommendation for consolidation of elderly food assistance services, on the other hand, is extremely problematical because, among other reasons, various programs that serve the elderly address the unique needs of different subsets of this population through different institutional settings. The Child and Adult Care Food Program, for example, works through the day care setting to provide



food assistance to the feeble elderly who would otherwise require institutionalization. A single program vehicle which addresses this need effectively might not be appropriate for another subset of the elderly population.

#### NATIONAL NUTRITION MONITORING COUNCIL

**Mr. DURBIN.** The National Nutrition Monitoring Advisory Council held two meetings in 1993. The meeting held in May 1993 was to discuss nutrition monitoring programs. A report was to be issued in January 1994. What were the findings and recommendations of that report?

**Mr. TOWNSEND.** The May 1993 meeting of the National Nutrition Monitoring Advisory Council focused on identifying data uses and needs of the States, and briefings and updates on a number of National Nutrition Monitoring Program activities. In addition, there was a panel presentation of invited speakers from 4 States who provided an overview of nutrition monitoring in their State. The Council plans to follow-up with more specific objectives in the area of State data needs and uses emphasized by the Panel. An update on the GAO evaluation of The Nutrition Monitoring Program was presented by a GAO staff member. The Council expressed concern about the lack of a representative for State and local data needs on the advisory panel formed by GAO to assist in the evaluation. The Council recommended that this concern be addressed by GAO.

The Council was asked for their comments and input on a proposal for prioritizing Ten-Year Plan activities currently being discussed by the Interagency Board for Nutrition Monitoring and Related Research. The Council overall did not have major concerns with the proposal for prioritization and provided helpful suggestions for assuring that activities of a lower priority would not be slighted.

The Council provides a liaison member to the Federal Steering Committee for the Third Scientific Report on Nutrition Monitoring. This report, required by the National Nutrition Monitoring Act, is being developed under contract with the Life Sciences Research Office of the Federation of American Societies for Experimental Biology. The Council has suggested policy/technical area to be addressed in the report to the Steering Committee. These recommendations have been sent to the contractor.

The 1993 report of the Advisory Council is currently being cleared by council members.

**Mr. DURBIN.** The second meeting, held in October 1993, was to discuss the Federal budget process and priority-setting for the nutrition monitoring program. What were the findings and recommendations of this meeting?

**Mr. TOWNSEND.** The October 1993 meeting of the National Nutrition Monitoring Advisory Council focused on two topics: one, the budget process, and how nutrition monitoring priorities are incorporated into this process; and two, nutrition monitoring data uses and needs of Congressional staff. The Advisory Committee was challenged to find ways to help make specific nutrition monitoring priorities compelling budgetary items, and continues to consider approaches to address this. The latter featured a panel of Congressional staff representing several committees with jurisdiction over

nutrition monitoring. A member of the Congressional Research Service also participated. Congressional staff expressed a desire for more information about the nutrition monitoring system, particularly the positive output of the system. Several pointed to the lack of food assistance program evaluation data as a weakness in the monitoring system. Three issues to be addressed by the Nutrition Monitoring System were identified: better methods to provide timely, accurate data; methods to improve nutrient standards such as the RDA's; and zero-based evaluation of monitoring system components.

#### USERS ADVISORY BOARD

Mr. DURBIN. Please submit a copy of the National Agricultural Research and Extension Users Advisory Boards science and education priorities for fiscal year 1995.

Mr. TOWNSEND. I will be happy to submit a copy for the record. [CLERK'S NOTE.—The report is too lengthy for reprint. A copy is retained in Committee files.]

#### NATIONAL RESEARCH INITIATIVE ADVISORY COMMITTEE

Mr. DURBIN. The Science and Education National Research Initiative Advisory Committee did not meet in fiscal year 1993 because it was being reestablished. There are several science and education advisory committees. What does this committee do that is different from other committees?

Mr. TOWNSEND. The Science and Education National Research Initiative Advisory Committee advises the Secretary of Agriculture with respect to the areas to be supported and priorities to be adopted and emphasized under the National Research Initiative—NRI. The Committee provides essential functions concerning administration of the NRI to assure research is carried out on the highest priority research areas and that the widest participation of qualified scientists is enhanced. No other Science and Education Advisory Committee provides these functions.

#### ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

Mr. DURBIN. The Animal Health Science Research Advisory Board did not meet during fiscal year 1993 because the charter had not be renewed or members appointed. What is the status of this Board.

Mr. TOWNSEND. The charter has been renewed and nominations for members approved. Appointment letters are pending approval by the Secretary.

#### COMMITTEE OF NINE

Mr. DURBIN. What kind of action did the Committee of Nine take on the 54 regional research proposals it reviewed during fiscal year 1993?

Mr. TOWNSEND. The Committee of Nine conducted two kinds of reviews this year. One action was to review a total of 52 projects received from the Regional Agricultural Experiment Station Directors Associations. The Committee of Nine approved for five years 29 research projects and three National Research Support Projects;



and they extended for one year 13 research projects. In addition, they deferred action on two project proposals until additional information was provided and they rejected two proposals. One project was withdrawn prior to complete evaluation. Two projects were received and approved in the next fiscal year. In separate action the Committee of Nine evaluated 54 projects in their first two years of operation. The progress of 28 projects was deemed satisfactory, 11 projects were flagged and 15 projects had letters of enquiry sent to the Administrative Advisers. The flagged projects represented those projects demonstrating a serious interruption in the performance of expected scientific results as described in accordance with objectives and procedures of the approved outline. Those projects that received letters of enquiry were sent to the Administrative Advisor or the Agricultural Experiment Station Director for additional clarification or scientific support.

#### JOINT COUNCIL

Mr. DURBIN. Please submit a copy of the two reports published by the Joint Council on Food and Agricultural Sciences. One was titled, Fiscal Year 1995 Priorities for Research, Extension, and Higher Education and the other one was titled, Five-Year Plan for the Food and Agricultural Sciences (Update).

Mr. TOWNSEND. I will provide the two reports for the record.

[CLERK'S NOTE.—The reports are too lengthy for reprint. A copy is retained in Committee files.]

#### AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD

Mr. DURBIN. What were the findings of the Agricultural Science and Technology Review Board that were published in the December 1993 report?

Mr. TOWNSEND. The final publication of the Agricultural Science and Technology Review Board report will be available in May and will be provided to the Committee at that time. A draft copy of this report is included for the record for the Committee's review.

[CLERK'S NOTE.—The draft report is retained in Committee files.]

#### NATIONAL SUSTAINABLE AGRICULTURE ADVISORY COUNCIL

Mr. DURBIN. Does the National Sustainable Agriculture Advisory Council plan to meet in fiscal year 1994.

Mr. TOWNSEND. The National Sustainable Agriculture Advisory Council is scheduled to meet June 2-4, 1994, pending renewal of the Council's charter and approval of Council membership.

#### MICROBIOLOGICAL CRITERIA FOR FOODS

Mr. DURBIN. There's a statement in the notes that says the National Advisory Committee on Microbiological Criteria for Foods provided its sponsors and those concerned with food safety with concrete recommendations that can be incorporated into food protection systems. Would you please be more specific and tell the Committee what these recommendations were?

Mr. TOWNSEND. During fiscal year 1993, the National Advisory Committee on Microbiological Criteria for Foods, the Committee, completed work on three documents and continued working on two

others. The first of the three documents adopted by the Committee provided recommended control strategies for *Campylobacter* spp. The Committee developed recommendations for minimizing infection of broiler chicks and contamination during processing, distribution, and consumer handling. The Committee also recommended that Hazard Analysis and Critical Control Point, HACCP, principles be applied in production, processing, distribution, food service and consumer handling.

The second Committee document provided a generic HACCP plan for raw beef, and was recently published in the journal, "Food Microbiology." The generic plan provides general guidance for developing plant-specific plans. The Committee also recommended that the rule of the regulatory agency should be to verify that the processor's HACCP plans are effective and being followed. The Committee advised that HACCP plans should include consideration of specific mechanisms for facilitating communication among all levels of plant operations and management.

The third Committee document, entitled "The Role of Regulatory Agencies and Industry in HACCP" provides recommendations to facilitate the adoption and implementation of HACCP by agencies and industry. These include: standardizing educational materials on HACCP; the adoption of HACCP throughout the food industry; giving industry the responsibility for developing complete and accurate HACCP plans; the cooperative development of generic HACCP plans by the regulatory agency, the respective regulated industry, and subject matter experts, and collecting these plans at a central repository to provide a resource for agencies and industry. The Committee also commented that should an agency conclude that it is important to accelerate the adoption of HACCP by certain segments of the industry, "it may even be appropriate for an agency to mandate the use of HACCP for selected processes or products with hazards which are of high risk and/or high severity."

The Committee is currently working on a generic HACCP plan for broiler chickens and a principles of microbiological risk assessment document.

#### FOREIGN ANIMAL AND POULTRY DISEASES

Mr. DURBIN. Briefly describe the sixteen recommendations that were made by the Advisory Committee on Foreign Animal and Poultry Diseases.

Mr. TOWNSEND. I will provide description of the sixteen recommendations for the record.

[The information follows:]

(1) Recommended hiring freeze be lifted to fill position of Chief Staff Veterinarian, Emergency Programs, and Veterinary Services.

(2) Recommended the concept be implemented to encourage continued diagnostic investigation and reporting.

(3) Recommended minimum 3-day permanent entry quarantine with the equine industry for horses from non-VEE and non-AHS regions.

(4) Recommended continuing budgetary support for the animal health monitoring and surveillance (AHMS) infrastructure within APHIS.

(5) Recommended continued support for the activities of the joint United States-Mexico TB Committee, the adoption of the official CNG-SARH-blue TB eartag, the proposed regulations of USAHA, the establishment of the UMR, and the establishment of the CFR to govern interstate movement of farmed Cervidae.



(6) Quarantine Facilities—General: (a) Recommended establishment of permanent USDA-operated multi-species animal import quarantine facility on the west coast and eliminate use of privately operated quarantine facilities for other than avian species; (b) that Administrator provide unrestricted support to enforce regulations of quarantine facilities; (c) that APHIS continue to investigate utilization of surplus military facilities for use as import/export facilities.

Quarantine Facilities—HSTAIC (a) Recommended that user fees cover total operating cost of facility for time reserved under valid contract, however, due to highly variable nature of costs of an importation, USDA does not feel that pre-published user fees would be the appropriate cost recovery method and use of cooperative agreement should continue; (b) and 10-day interval be established between offer and acceptance of contract for use of HSTAIC and importer he held responsible for costs.

USDA Quarantine Authority—(a) Recommended that USDA seek authority to control health of ALL import/export species; and (b) that a total health assessment program be established.

(7) Risk Assessment—Regionalization: (a) Recommended that a Center for Import/Export develop a cadre of country experts and be trained as epidemiologists; (b) that experts travel extensively in their assigned countries; and (c) that NAHMS regionalize the United States.

Regionalization—Industry Input: (a) Recommended that USDA-APHIS solicit and use animal industry producer input in the development of regionalization and risk assessment and USAHA serve as the national forum.

Regionalization—Risk Assessment Pilot Program: Recommended that APHIS proceed with development of a program or model of regionalization and risk assessment.

Acceptable Risk: Recommended that APHIS establish specific acceptable risk criteria for each OIE category of disease.

(8) Plum Island Facility: (a) Recommended that APHIS continue to support Plum Island for research, facilities improvement and maintenance of staff.

(9) Recommended that APHIS seek legislation to enable USDA to provide the United States staffing to aid other countries in an emergency.

(10) Recommended that APHIS-VS become more involved in activities of OIE and disseminate information about and from OIE to appropriate agencies and organizations.

(11) Recommended that science be the basis for sound decision making process and public communication concerning BSE. BSE is a disease of concern for the cattle industry.

(12) Recommended that swine not be permitted from hog-cholera-free zones in Mexico until regionalization/risk assessment policies are established.

(13) Recommended that APHIS continue to eradicate screwworm from Mexico and Central America and expedite plans to establish sterile screwworm facility in Panama.

(14) Recommended that USDA support the proposed legislation for the extra label used on drugs by veterinarians.

(15) Recommended that USDA committee on Transmissible Diseases of Poultry and other Avian Species revisit the subject of avian influenza infection terminology.

(16) Recommendation that the Advisory Committee on Foreign Animal and Poultry Diseases be continued.

#### NATIONAL ORGANICS STANDARDS BOARD

Mr. DURBIN. When will the list of approved and prohibited materials be finalized by the National Organic Standards Board?

Mr. TOWNSEND. The list of approved and prohibited materials are scheduled to be finalized by October 1994.

Mr. DURBIN. Once this list is complete will there be a need to continue funding the Board?

Mr. TOWNSEND. Yes. Although the list will be finalized in October 1994, interested parties can petition the board for additions or deletions to the list after this date. There will also be changes made to the list as new commodities are added to the organic program. After the finalization of the list in October, the Board will meet less frequently.

# NATIONAL AGRICULTURAL COST OF PRODUCTIONS STANDARDS REVIEW BOARD

Mr. DURBIN. What were the findings and recommendations of the National Agricultural Cost of Production Standards Review Board's meeting that was held in February 1994?

Mr. TOWNSEND. The Board was briefed on the impact of reduced funding on the annual Farm Costs and Returns Survey, FCRS, conducted jointly by the Economic Research Service, ERS, and the National Agricultural Statistics Service, NASS. The FCRS is used to obtain income, expense, and production data from farm operators. These data are used by ERS to develop the estimates of net farm income reported to the Commerce Department's Bureau of Economic Analysis for constructing the National Income and Product Accounts and to develop production costs and returns for major commodities. Farm operator contacts were reduced from 21,000 to 14,500 for the 1993 survey. The reduced sample size means that statistically reliable income, expense, and commodity production costs estimates cannot be provided for all States and regions as previously covered. The Board recommended that ERS publish only statistically reliable data, even though that means that estimates will no longer be published for some States and regions, and that production cost estimates will be limited to the Congressionally mandated program commodities.

The Board was briefed on preliminary recommendations of the American Agricultural Economics Association Cost of Production Task Force. The Task Force has the objective of developing a standardized reporting format for cost-of-production estimates that could be adopted by USDA, land-grant universities, and other organizations doing cost-of-production work. The Board was also advised of the National Cattlemen's Association's efforts to develop standardized performance analysis measures for cow-calf operations, including methods for allocating overhead and indirect costs among enterprises on multi-product farms. The Board noted that ERS is already largely in conformance with the American Agricultural Economics Association recommendations and encouraged ERS to collaborate with the National Cattlemen's Association and other producer groups to develop standardized measures of production costs and financial performance.

## CITIZENS ADVISORY COMMITTEE ON EQUAL OPPORTUNITY

Mr. DURBIN. The Citizen's Advisory Committee on Equal Opportunity did not meet in fiscal year 1993. Will they meet in fiscal year 1994?

Mr. TOWNSEND. We are currently evaluating the requirements for this Advisory Committee. When this evaluation is complete we will develop a schedule of meetings.

## EMERGING DEMOCRACIES ADVISORY COMMITTEE

Mr. DURBIN. Section 1542(d) of the FACT Act authorizes the Emerging Democracies Advisory Committee to be funded through the Commodity Credit Corporation. It was first funded in fiscal year 1992 at a level of \$12,958. What was the Committee's funding



level in fiscal year 1993 and what is it estimated to be in fiscal year 1994?

Mr. TOWNSEND. The Emerging Democracies Advisory Committee was fully funded through the Commodity Credit Corporation in fiscal year 1993 at \$18,185. Estimated funding for fiscal year 1994 from the CCC is \$20,000.

Mr. DURBIN. Briefly describe the purpose of this Committee and tell us what it has recommended to the Secretary to date.

Mr. TOWNSEND. The Advisory Committee chiefly provides advice on which of many proposed technical assistance programs and activities, including sectorial assessments, should be implemented in order to expand, preserve, or enhance U.S. agricultural trade and investment in developing market economies. The Advisory Committee also makes recommendations on the types of programs most suitable for private sector participation in the program.

To date, most of the assessments and resulting project work has been developed by USDA staff and U.S. Embassies overseas, in consultation with the target country. The Advisory Committee has reacted to these proposals. The Committee is, however, becoming more proactive in developing ideas for proposals. Committee members have asked questions regarding proposed projects which we have found to be useful, and Committee concurrence is received before actual project work is begun.

The Committee has recommended that the Emerging Democracies Program concentrate more on high-value products and on wholesaling and distribution, areas where the U.S. has a competitive advantage, especially in Eastern Europe and the NIS. The Committee has also advised that, because projects in the NIS (particularly in Russia), consume so much of the Emerging Democracies Program's resources, such programs should be carefully scrutinized in terms of their objectives and market development goals before commitments are made and project work is undertaken. The Committee believes, and we concur, that sufficient resources should be dedicated to projects in other countries where commercial opportunities are greater than those existing in the NIS. The Committee is antagonistic toward the concept of model farms and to the cost of agricultural policy advisors in emerging democracies.

#### COMMODITY CREDIT CORPORATION

Mr. DURBIN. Are there any other advisory committees funded through CCC?

Mr. TOWNSEND. No. There are no other advisory committees funded through CCC.

#### TRANSFER AUTHORITY

Mr. DURBIN. The Secretary used his transfer authority in fiscal year 1994 to increase the budgets of the Assistant Secretary for Natural Resources and Environment and the Chief Financial Officer by \$116,000 and one staff year and \$380,000 and three staff years, respectively. What was the reason for these transfers and where did they come from?

Mr. TOWNSEND. The transfer of funds and staff years to the Chief Financial Officer is to establish the Office of the Chief Financial Officer and to fund the Chief Financial Officer, his secretary and

one Confidential Assistant. A Deputy Chief Financial Officer and secretary were financed in fiscal year 1993. The transfer of funds and a staff year to the Assistant Secretary for Natural Resources and Environment is to fund a Deputy Assistant Secretary, who will assist the Assistant Secretary in the overall direction of the policies and programs of the Office of Natural Resources and Environment. I will provide a table that identifies the source of funding for the record. The staff years were made available from other offices within the Office of the Secretary.

[The information follows:]

#### TRANSFER TO THE OFFICE OF THE SECRETARY

[Fiscal year 1994]

Transfer from	Chief financial officer	Asst. Secretary for Natural Resources and Environment
Soil Conservation Service .....	\$25,000	\$116,000
Animal and Plant Health Inspection Service .....	54,000	
Farmers Home Administration .....	54,000	
Agricultural Research Service .....	53,000	
Agricultural Stabilization and Conservation Service .....	54,000	
Assistant Secretary for Economics .....	35,000	
Assistant Secretary for Science and Education .....	35,000	
Assistant Secretary for Marketing and Inspection Services .....	70,000	
Total .....	380,000	116,000

#### TRANSFER OF DOLLARS AND STAFF YEARS

Mr. DURBIN. Provide a table showing all dollars and staff years that were transferred under this authority in fiscal year 1993, including who received transfers and where they were transferred from.

Mr. TOWNSEND. I will provide this information for the record.

[The information follows:]

#### TRANSFERS USING AUTHORITY PROVIDED IN P.L. 102-341

[Fiscal Year 1993]

Transferred from	Transferred to			
	Asst. secy for admin. (2 S/Y)	Dept. Admin. (11 S/Y)	Economic research service (2S/Y)	World agric. outlook bd. (2 S/Y)
Agricultural Research Service .....	\$27,000	\$131,000	\$29,000	\$25,000
Animal and Plant Health Inspection Service .....	28,000	131,000	29,000	24,000
Farmers Home Admin .....	28,000	131,000	29,000	24,000
Soil Conservation Service .....	28,000	130,000	30,000	24,000
Agric Stabilization and Conservation Service .....	28,000	130,000	30,000	24,000
Food Safety and Inspection Service .....	28,000	131,000	29,000	24,000
Agricultural Marketing Service .....	28,000		29,000	25,000
Total .....	195,000	784,000	205,000	170,000

Funds were transferred to the Assistant Secretary for Administration to fund the Deputy Chief Financial Officer and his secretary.

Funds were transferred to Department Administration to fund the Agency Liaison Officer Program in the Office of Information

Resources Management and the Motor Vehicle Management Program in the Office of Operations.

Funds were transferred to the Economic Research Service to provide technical support for Departmental initiatives.

Funds were provided to the World Agricultural Outlook Board to strengthen supply and demand forecasting.

#### BOARD OF CONTRACT APPEALS

Mr. DURBIN. The Board of Contract Appeals is a reimbursable activity in the Office of the Secretary. Provide a brief description of activities of this Board. What is this funding level of this Office in both dollars and staff.

Mr. TOWNSEND. As authorized by the Contract Disputes Act, the Board of Contract Appeals provides informal, expeditious and inexpensive dispute resolution between USDA and its contractors. Disputes arise from widely diverse types of contracts, for example those covering construction of flood retarding structures, grain storage, timber sales and related rural construction, commodity sales, helicopter services, loan processing services, leases and building renovations.

The funding for this Office is estimated at \$1,215,000 for fiscal year 1994 and \$1,260,000 for fiscal year 1995. There are 10 staff years assigned to the Office.

Mr. DURBIN. Provide a table showing a breakout, by agency, of where the funding for the Board came from in fiscal year 1993 and estimates for fiscal year 1994.

Mr. TOWNSEND. I will be happy to provide a table for the record.  
[The information follows:]

#### OFFICE OF THE SECRETARY

[Board of Contract Appeals]

Agency	Fiscal year	
	1993	1994
Agricultural Marketing Service .....		\$12,150
Animal & Plant Health Inspection Service .....	\$23,000	24,300
Agricultural Research Service .....	13,000	12,150
Agricultural Stabilization & Conservation Service .....	106,000	109,350
Farmers Home Administration .....	13,000	24,300
Food and Nutrition Service .....	14,000	12,150
Forest Service .....	793,000	789,750
Office of Operations .....		24,300
Soil Conservation Service .....	256,000	206,550
Total .....	1,218,000	1,215,000

#### PERSONNEL ASSIGNED TO OSEC

Mr. DURBIN. For the record, please update the tables that appear on pages 830 through 835 showing the number of personnel assigned to the Office of the Secretary and each Under and Assistant Secretary's offices to reflect fiscal year 1993 actuals and fiscal year 1995 estimates.

Mr. TOWNSEND. I would be happy to.  
[The information follows:]



OFFICE OF THE SECRETARY  
IMMEDIATE OFFICE  
STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-1	1	1	1	1	1
ES-6	2	3	2	3	3
ES-5	2	0	0	1	1
ES-4	0	1	1	0	0
ES-3	1	2	0	0	4
ES-2	2	0	1	4	1
ES-1	0	1	4	1	0
GM-15	3	2	2	1	3
GM-14	1	0	1	2	1
GM-13	0	1	2	1	1
GS-12	2	1	0	1	1
GS-11	0	2	1	1	2
GS-10	1	0	2	2	0
GS-9	3	1	0	0	2
GS-8	1	1	0	2	0
GS-7	1	0	1	0	0
WG-8	1	1	1	1	1
TOTAL	21	17	19	21	21



OFFICE OF THE SECRETARY  
DEPUTY SECRETARY  
STAFFING FOR FISCAL YEARS 1991 - 1995

<u>GRADE</u>	<u>ACTUAL 1991</u>	<u>ACTUAL 1992</u>	<u>ACTUAL 1993</u>	<u>ESTIMATE 1994</u>	<u>ESTIMATE 1995</u>
EX-II	1	1	1	1	1
ES-2	0	1	1	1	1
ES-1	1	0	0	0	0
GM-14	0	0	0	0	1
GM-13	0	1	1	1	0
GS-12	1	0	0	0	0
GS-11	0	0	0	0	1
GS-10	0	0	0	1	0
WG-7	1	1	0	1	1
TOTAL	4	4	3	5	5

OFFICE OF THE SECRETARY  
CHIEF FINANCIAL OFFICER  
STAFFING FOR FISCAL YEARS 1991 - 1995

<u>GRADE</u>	<u>ACTUAL 1991</u>	<u>ACTUAL 1992</u>	<u>ACTUAL 1993</u>	<u>ESTIMATE 1994</u>	<u>ESTIMATE 1995</u>
EX-IV	0	0	0	1	1
ES-6	0	0	1	1	1
GM-15	0	0	0	1	1
GS-11	0	0	1	2	2
TOTAL	0	0	2	5	5

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR ADMINISTRATION  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-IV	1	1	1	1	1
ES-6	0	0	0	0	1
ES-5	0	1	1	1	0
ES-4	1	0	0	0	0
GM-15	0	0	0	0	1
GM-14	0	0	0	1	0
GM-13	1	1	0	0	0
GS-12	0	1	1	1	0
GS-11	1	1	1	1	1
GS-10	0	1	1	0	1
GS-9	1	0	0	0	0
TOTAL	5	6	5	5	5

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS  
 AND INTERGOVERNMENTAL AFFAIRS  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-IV	1	1	1	1	1
ES-6	1	1	0	1	1
ES-1	0	0	1	1	1
GM-15	3	4	6	7	9
GM-14	1	1	3	3	1
GM-13	3	2	1	1	1
GS-11	2	2	1	1	2
GS-10	1	1	1	1	1
GS-9	1	2	2	2	1
GS-7	0	0	0	1	1
WG-7	1	1	1	1	1
TOTAL	14	15	17	20	20

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR ECONOMICS  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-IV	1	1	0	1	1
ES-6	1	1	1	1	1
GM-15	0	0	0	1	1
GS-12	0	1	0	0	0
GS-11	2	0	0	1	1
GS-10	0	1	1	1	1
GS-9	1	1	0	0	0
TOTAL	5	5	2	5	5

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR SCIENCE AND EDUCATION  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-IV	1	1	0	1	1
ES-6	1	1	0	1	1
GM-15	1	1	0	1	1
GS-11	1	0	1	1	1
GS-10	0	0	0	1	1
GS-9	1	1	1	0	0
TOTAL	5	4	2	5	5

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR MARKETING AND INSPECTION SERVICE  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-IV	1	1	1	1	1
ES-6	0	1	0	0	1
ES-5	1	0	0	0	0
ES-4	0	0	1	1	0
GM-15	0	1	1	1	1
GS-14	1	0	0	0	0
GS-11	1	1	1	1	1
GS-10	1	1	1	1	1
TOTAL	5	5	5	5	5

OFFICE OF THE SECRETARY  
 UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-III	1	1	1	1	1
ES-6	1	0	0	0	0
ES-5	1	0	0	0	0
ES-4	0	0	0	0	2
ES-3	0	0	0	2	0
ES-2	0	1	0	0	0
GM-12	1	0	1	1	1
GS-11	0	0	1	1	1
GS-10	1	1	0	0	0
GS-9	0	1	0	0	0
TOTAL	5	4	3	5	5



OFFICE OF THE SECRETARY  
 UNDER SECRETARY FOR SMALL COMMUNITY AND RURAL DEVELOPMENT  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-III	1	1	1	1	1
ES-6	2	1	0	0	2
ES-5	0	0	0	2	0
ES-2	0	1	0	0	0
GS-12	1	1	1	1	1
GS-11	0	1	0	0	1
GS-10	0	0	1	1	0
GS-9	1	0	0	0	0
TOTAL	5	5	3	5	5

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR NATURAL RESOURCES & ENVIRONMENT  
 STAFFING FOR FISCAL YEARS 1991 - 1995

GRADE	ACTUAL 1991	ACTUAL 1992	ACTUAL 1993	ESTIMATE 1994	ESTIMATE 1995
EX-IV	1	1	1	1	1
ES-6	0	1	0	2	2
ES-5	1	0	0	0	0
GM-15	0	0	0	0	1
GM-14	0	0	0	1	0
GM-13	0	1	1	0	0
GS-12	1	0	0	0	0
GS-11	0	1	1	1	1
GS-10	0	1	0	1	1
GS-9	1	0	0	0	0
GS-8	1	0	0	0	0
TOTAL	5	5	3	6	6

OFFICE OF THE SECRETARY  
 ASSISTANT SECRETARY FOR FOOD AND CONSUMER SERVICES  
 STAFFING FOR FISCAL YEARS 1991 - 1995

<u>GRADE</u>	<u>ACTUAL</u> <u>1991</u>	<u>ACTUAL</u> <u>1992</u>	<u>ACTUAL</u> <u>1993</u>	<u>ESTIMATE</u> <u>1994</u>	<u>ESTIMATE</u> <u>1995</u>
EX-IV	1	1	1	1	1
ES-5	0	0	0	1	1
ES-4	0	1	0	0	0
ES-3	1	0	0	0	0
GM-15	1	1	2	1	1
GM-14	0	0	1	0	0
GS-11	1	1	0	1	1
GS-10	0	0	0	1	1
GS-9	0	0	1	0	0
GS-8	1	1	0	0	0
TOTAL	5	5	5	5	5

## BREAKOUT OF OBJECT CLASS

Mr. DURBIN. Provide a breakout of object class 25, other services, for fiscal year 1993 through 1995 for the Office of the Secretary.

Mr. TOWNSEND. I will provide that information for the record.

[The information follows:]

## OFFICE OF THE SECRETARY

[Breakout of Object Class 25]

Item	Fiscal year		
	1993	1994	1995
National finance center .....	\$65,500	\$68,000	\$72,000
Repairs and maintenance .....	15,926	75,000	79,000
Security investigations .....	96,475	75,000	82,000
Security .....	23,002	33,000	35,000
Design center services .....	12,704	15,000	16,000
Video & film service .....	9,442	5,000	6,000
Contractual services .....	150,248	114,000	119,000
Telephone equipment .....	5,269	9,000	11,000
Training .....	7,540	8,000	10,000
Miscellaneous .....	73,531	87,000	97,000
Total .....	489,673	489,000	527,000

## LAPSE OF FUNDING

Mr. DURBIN. You show an obligated balance of \$851,695 at the end of fiscal year 1995. This represents a little over 10 percent of the total appropriation. What is the reason for this lapse of funding?

Mr. TOWNSEND. During the transition period between the Bush Administration and the Clinton Administration, a significant number of positions were not filled. Some positions were at the Under and Assistant Secretary levels and remained vacant for most of the fiscal year. As a result, funds for salaries and other employee-related costs were not used. These positions have now been filled and full funding is required.

## TEMPORARY SPECIAL ASSISTANTS

Mr. DURBIN. Are the two temporary Special Assistants that are funded last year through reimbursements from a number of USDA agencies still being funded this fiscal year? If so, what is the cost associated with each and which agencies are funding them?

Mr. TOWNSEND. The two Special Assistants will be funded this year using direct appropriations from the Office of the Secretary. The two positions will cost an estimated \$187,000 and will be funded using lapsed salary and related costs for vacancies within the Office of the Secretary.

## GREENBOOK

Mr. DURBIN. You are requesting an increase of \$31,000 for greenbook increases associated with communications and other services. Would you please tell us what greenbook increase are.

Mr. TOWNSEND. The Greenbook increase reflects the costs associated with services provided on a centralized basis within the Department. These are mandatory costs based on number of staff-

years or actual usage. Examples of these services provided through the working capital fund are mail delivery, central supplies, design services, and services provided by the National Finance Center.

#### CONGRESSIONAL LIAISON POSITIONS

Mr. DURBIN. Please update the table that appears on pages 837 and 838 showing all Congressional Liaison positions at the Department to include fiscal year 1995 estimates.

Mr. TOWNSEND. I will be happy to update the tables for the record.

[The information follows:]



USDA CONGRESSIONAL LIAISON  
(Dollars in Thousands)

AGENCY	1993		1994		1995	
	Employment	Staff Years	Employment	Staff Years	Employment	Staff Years
OSEC:						
Professional	9	9	12	12	12	12
Clerical	3	3	3	3	3	3
Budget Auth.		\$1,130		\$1,325		\$1,337
OIG:						
Professional	6	1	6	1	6	1
Clerical	0	0	0	0	0	0
Budget Auth.		\$52		\$54		\$54
ARS:						
Professional	2	2.0	2	2.0	2	2.0
Clerical	1	1.0	1	1.0	1	1.0
Budget Auth.		\$152		\$169		\$172
CSRS:						
Professional	2	1.3	2	1.3	2	1.3
Clerical	0	0	0	0	0	0
Budget Auth.		\$89		\$92		\$94
ES:						
Professional	1	1	1	1	1	1
Clerical	0	0	0	0	0	0
Budget Auth.		\$86		\$89		\$91
FAS:						
Professional	2	2	2	2	2	2
Clerical	1	1	1	1	1	1
Budget Auth.		\$171		\$177		\$184
OICD:						
Professional	1	0.1	1	0.1	1	0.1
Clerical	0	0	0	0	0	0
Budget Auth.		\$5		\$41		\$41
ASCS:						
Professional	2	2	2	2	2	2
Clerical	1	1	1	1	1	1
Budget Auth.		\$182		\$194		\$204
FCIC:						
Professional	2	1	6	4	6	4
Clerical	1	0.5	1	0.5	1	0.5
Budget Auth.		\$70		\$198		\$202
REA:						
Professional	2	0.7	2	0.9	2	1.0
Clerical	1	0.5	1	0.3	1	0.5
Budget Auth.		\$47		\$60		\$75
FmHA/RDA:						
Professional	5	4.6	5	4	5	4
Clerical	3	2	3	1.8	3	1.8
Budget Auth.		\$414		\$387		\$387
SCS:						
Professional	1	1	4	2.5	4	4
Clerical	1	1	1	1	1	1
Budget Auth.		\$101		\$188		\$273

USDA CONGRESSIONAL LIAISON  
(Dollars in Thousands)

AGENCY	1993		1994		1995	
	Employment	Staff Years	Employment	Staff Years	Employment	Staff Years
<b>APHIS:</b>						
Professional	4	2.5	4	2.5	4	2.5
Clerical	1	0.1	1	0.1	1	0.1
Budget Auth.		\$215		\$215		\$215
<b>FGIS:</b>						
Professional	5	0.5	5	0.5	5	0.5
Clerical	1	0.1	1	0.1	1	0.1
Budget Auth.		\$40		\$42		\$43
<b>AMS:</b>						
Professional	2	2	2	2	2	2
Clerical	1	1	1	1	1	1
Budget Auth.		\$231		\$243		\$256
<b>FSIS:</b>						
Professional	3	3	5	5	5	5
Clerical	2	2	2	2	2	2
Budget Auth.		\$188		\$313		\$318
<b>FNS:</b>						
Professional	4	4	4	4	4	4
Clerical	2	2	2	2	2	2
Budget Auth.		\$340		\$350		\$360
<b>HNIS:</b>						
Professional	1	0.5	1	0.5	1	0.5
Clerical	2	1	2	1	2	1
Budget Auth.		\$55		\$56		\$57
<b>TOTAL:</b>						
Professional	54	38.2	66	47.3	66	48.9
Clerical	21	16.2	21	15.8	21	16
Budget Auth.		\$3,568		\$4,193		\$4,363

## OBJECT CLASS TABLE

Mr. DURBIN. Provide an object class table for each Under and Assistant Secretary's office for fiscal years 1992 through 1994 and estimates for fiscal year 1995.

Mr. TOWNSEND. I will provide that information for the record.  
[The information follows:]

OFFICE OF THE SECRETARY  
IMMEDIATE OFFICE

## CLASSIFICATION BY OBJECTS

Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$1,277	\$1,328	\$1,489	\$1,503
1200	Personnel Benefits	224	276	283	287
	Total	<u>1,501</u>	<u>1,604</u>	<u>1,772</u>	<u>1,790</u>
2100	Travel	57	66	85	87
2200	Transportation of Things	0	8	1	1
2300	Communications, Utilities and Rent	162	172	172	175
2400	Printing and Reproduction	81	150	84	84
2500	Other Services	131	136	163	168
2600	Supplies	22	27	31	32
3100	Equipment	6	53	0	0
	Total Other Objects	<u>459</u>	<u>612</u>	<u>536</u>	<u>547</u>
	Total Direct Obligations	<u>1,960</u>	<u>2,216</u>	<u>2,308</u>	<u>2,337</u>



OFFICE OF THE SECRETARY  
DEPUTY SECRETARY

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$308	\$323	\$362	\$365
1200	Personnel Benefits	62	56	66	67
	Total	370	379	428	432
2100	Travel	62	38	52	53
2200	Transportation of Things	0	7	0	0
2300	Communications, Utilities and Rent	10	12	22	22
2400	Printing and Reproduction	7	11	13	13
2500	Other Services	21	48	19	21
2600	Supplies	4	4	16	16
3100	Equipment	1	2	0	0
	Total Other Objects	105	122	122	125
	Total Direct Obligations	475	501	550	557

OFFICE OF THE SECRETARY  
CHIEF FINANCIAL OFFICER

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$0	\$130	\$396	\$399
1200	Personnel Benefits	0	24	100	101
	Total	0	154	496	500
2100	Travel	0	12	25	26
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	0	0	18	18
2400	Printing and Reproduction	0	0	10	10
2500	Other Services	0	8	18	18
2600	Supplies	0	2	2	2
3100	Equipment	0	6	6	6
	Total Other Objects	0	28	79	80
	Total Direct Obligations	0	182	575	580

OFFICE OF THE SECRETARY  
ADMINISTRATION

## CLASSIFICATION BY OBJECTS

Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$373	\$371	\$417	\$422
1200	Personnel Benefits	90	74	76	77
	Total	463	445	493	499
2100	Travel	22	15	29	30
2200	Transportation of Things	0	3	0	0
2300	Communications, Utilities and Rent	20	23	20	21
2400	Printing and Reproduction	10	12	14	14
2500	Other Services	29	51	33	34
2600	Supplies	6	5	15	15
3100	Equipment	22	5	4	4
	Total Other Objects	109	114	115	118
	Total Direct Obligations	572	559	608	617

OFFICE OF THE SECRETARY  
CONGRESSIONAL RELATIONS

## CLASSIFICATION BY OBJECTS

Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$1,187	\$1,084	\$1,338	\$1,352
1200	Personnel Benefits	223	186	266	269
	Total	1,410	1,270	1,604	1,621
2100	Travel	23	34	24	24
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	97	83	67	68
2400	Printing and Reproduction	39	39	30	30
2500	Other Services	74	75	55	59
2600	Supplies	21	23	17	16
3100	Equipment	26	23	3	3
	Total Other Objects	280	277	196	200
	Total Direct Obligations	1,690	1,547	1,800	1,821

OFFICE OF THE SECRETARY  
ECONOMICS

CLASSIFICATION BY OBJECTS

Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$374	\$306	\$376	\$379
1200	Personnel Benefits	69	63	72	73
	Total	443	369	448	452
2100	Travel	16	10	30	31
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	13	15	23	23
2400	Printing and Reproduction	8	9	13	13
2500	Other Services	38	26	46	49
2600	Supplies	8	3	23	22
3100	Equipment	16	4	3	3
	Total Other Objects	99	67	138	141
	Total Direct Obligations	542	436	586	593

OFFICE OF THE SECRETARY  
SCIENCE AND EDUCATION

CLASSIFICATION BY OBJECTS

Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$294	\$378	\$380	\$384
1200	Personnel Benefits	56	58	73	74
	Total	350	436	453	458
2100	Travel	23	12	20	21
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	12	16	31	31
2400	Printing and Reproduction	7	12	8	8
2500	Other Services	42	27	36	38
2600	Supplies	9	5	13	13
3100	Equipment	18	24	5	5
	Total Other Objects	111	96	113	116
	Total Direct Obligations	461	532	566	574

OFFICE OF THE SECRETARY  
MARKETING AND INSPECTION SERVICE

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$398	\$325	\$441	\$446
1200	Personnel Benefits	75	55	82	83
	Total	473	380	523	529
2100	Travel	16	19	24	25
2200	Transportation of Things	0	2	0	0
2300	Communications, Utilities and Rent	14	17	22	35
2400	Printing and Reproduction	7	10	13	33
2500	Other Services	23	19	24	38
2600	Supplies	8	5	15	35
3100	Equipment	10	0	66	0
	Total Other Objects	78	72	164	166
	Total Direct Obligations	551	452	687	695

OFFICE OF THE SECRETARY  
INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$360	\$316	\$416	\$420
1200	Personnel Benefits	77	45	80	81
	Total	437	361	496	501
2100	Travel	10	50	15	16
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	17	22	17	17
2400	Printing and Reproduction	9	11	9	9
2500	Other Services	46	27	17	19
2600	Supplies	9	8	6	6
3100	Equipment	0	10	0	0
	Total Other Objects	91	128	64	67
	Total Direct Obligations	528	489	560	568



OFFICE OF THE SECRETARY  
NATURAL RESOURCES AND ENVIRONMENT

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$311	\$271	\$450	\$453
1200	Personnel Benefits	65	55	114	115
	Total	<u>376</u>	<u>326</u>	<u>564</u>	<u>568</u>
2100	Travel	6	16	28	29
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	13	16	29	29
2400	Printing and Reproduction	7	9	10	10
2500	Other Services	80	20	34	36
2600	Supplies	5	11	20	20
3100	Equipment	5	72	6	6
	Total Other Objects	<u>116</u>	<u>144</u>	<u>127</u>	<u>130</u>
	Total Direct Obligations	<u>492</u>	<u>470</u>	<u>691</u>	<u>698</u>

OFFICE OF THE SECRETARY  
SMALL COMMUNITY AND RURAL DEVELOPMENT

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$398	\$338	\$433	\$437
1200	Personnel Benefits	83	70	84	85
	Total	<u>481</u>	<u>408</u>	<u>517</u>	<u>522</u>
2100	Travel	11	28	10	10
2200	Transportation of Things	0	0	0	0
2300	Communications, Utilities and Rent	16	18	19	19
2400	Printing and Reproduction	9	12	11	11
2500	Other Services	19	25	17	18
2600	Supplies	6	8	6	6
3100	Equipment	1	36	0	0
	Total Other Objects	<u>62</u>	<u>127</u>	<u>63</u>	<u>64</u>
	Total Direct Obligations	<u>543</u>	<u>535</u>	<u>580</u>	<u>586</u>

OFFICE OF THE SECRETARY  
FOOD AND CONSUMER SERVICES

CLASSIFICATION BY OBJECTS  
Fiscal Years 1992, 1993 and Projected 1994 and 1995  
(Dollars in Thousands)

Object Class	Title	1992	1993	1994	1995
1100	Personnel Compensation	\$359	\$412	\$355	\$358
1200	Personnel Benefits	64	0	90	91
	Total	<u>423</u>	<u>412</u>	<u>445</u>	<u>449</u>
2100	Travel	24	19	22	23
2200	Transportation of Things	1	0	0	0
2300	Communications, Utilities and Rent	18	23	29	29
2400	Printing and Reproduction	8	10	11	11
2500	Other Services	26	28	27	29
2600	Supplies	5	11	15	15
3100	Equipment	15	35	2	2
	Total Other Objects	<u>97</u>	<u>126</u>	<u>106</u>	<u>109</u>
	Total Direct Obligations	<u>520</u>	<u>538</u>	<u>551</u>	<u>558</u>

P29-12

## UTILIZATION OF RECEPTION AND REPRESENTATION FUNDS

Mr. Durbin. Update the table that appears on page 852 of last year's hearing record showing the utilization of reception and representation funds of the Secretary to include fiscal year 1993 actuals and fiscal year 1994 estimates. Also, provide a similar table for the Deputy Secretary.

Mr. Townsend. I will be happy to provide that information for the Secretary's reception and representation fund. No funds were expended during FY 1993 or during the first two quarters of fiscal year 1994 by the Deputy Secretary for that purpose.

(The information follows:)

## SECRETARY'S RECEPTION AND REPRESENTATION FUND

(Amounts rounded to nearest dollar)

Description	Fiscal Year--	
	1993	1994 <sup>1</sup>
Breakfasts (includes Congressional breakfasts, press interviews, award breakfasts)	\$ 412	\$ -0-
Luncheons (includes luncheons for Chamber of Commerce, Treasury officials, members of Agribusiness community, and a White House luncheon)	1,053	-0-
Receptions (includes press receptions, and other special receptions)	1,170	5,183
Supplies, refreshments, and other miscellaneous	<u>\$79</u>	<u>\$89</u>
Total	\$ 3,514	\$ 5,772

<sup>1</sup> Covers October 1, 1993 through March 31, 1994

## WORKING CAPITAL FUND ACTIVITIES

Mr. DURBIN. Mr. Williams, you stated in your testimony that in fiscal year 1995, the Working Capital Fund will support 22 activities in seven staff offices. Briefly describe each of these activities.

Mr. WILLIAMS. I will provide that information for the record.

[The information follows:]

## WORKING CAPITAL FUND

[Financed Services \*]

Staff Office	Activity	Description
Finance and management .....	National finance center .....	Designs, develops, implements, and operates administrative systems for agencies inside and outside USDA. Systems include: billing and collection, central accounting, payroll/personnel, purchase order, travel, and other systems.
Public affairs .....	Video and teleconferencing .....	Manages all facets of production of video exhibits and manages teleconferencing facilities on behalf of USDA.
Public affairs .....	Design center .....	Plans, designs, and produces visual materials, exhibits, art and graphics materials for the department and other government agencies.
Information resources management.	National computer center/mainframe.	Provides mainframe computer processing support to USDA and non-USDA agencies.
Information resources management.	National computer center/network management services.	Manages telecommunication support services under government contracts such as FTS-2000.
Information resources management.	National computer center/applications design.	Provides full life-cycle development and maintenance of both mainframe and distributed ADP applications for USDA and non-USDA agencies.
Information resources management.	Computer services unit .....	Provides office automation and data support services to the office of the secretary and departmental staff offices.
Information resources management.	Telephone service operations .	Coordinates maintenance and operation of telephone equipment for Washington-area USDA offices.
Information resources management.	Local area network .....	Provides telecommunication service and support for Washington-area USDA offices.
Operations .....	Central supply stores .....	Provides for the acquisition, receipt, storage, packing, and shipment of supplies on behalf of departmental agencies.
Operations .....	Central supply forms .....	Provides acquisition, printing, warehousing, and worldwide distribution services for forms and publications for USDA and non-USDA agencies.
Operations .....	Central excess property operation.	Coordinates receipt, rehabilitation, and distribution of furniture and office equipment; promotes utilization of reusable and serviceable excess and rehabilitated property in lieu of new purchases.
Operations .....	Central shipping and receiving.	Processes incoming and outgoing shipments of articles, parcels, and materials on behalf of departmental agencies.
Operations .....	Central imprest fund .....	Processes emergency salary advances, small purchases, training, spot award, local travel expenses, and cash travel advances and travelers checks.
Operations .....	Agriculture contract automation system.	Provides a compatible streamline software system with up-to-date, technically advanced features that can be used by all USDA agencies to provide uniform, standardized contract format and language in USDA.
Operations .....	Central mail unit .....	Manages mail processing and messenger services, oversees mail pick-up and delivery, and manages security services for packages delivered to USDA by private courier services.
Operations .....	Duplicating unit .....	Provides reproduction, binding, addressing, and mailing services for USDA agencies.
Operations .....	Copier service .....	Provides short-order and walk-up xerographic reproduction services to USDA agencies.



**WORKING CAPITAL FUND—Continued**  
**[Financed Services\*]**

Staff Office	Activity	Description
Operations .....	Departmental mailing list service.	Provides a central mailing list system for USDA as required under U.S.C. title 44, Sections 103, 501 and 502, as well as central laser printing services for reports generated by the national finance center.
Personnel .....	Training center .....	Provides USDA agencies the facilities and equipment necessary to conduct and facilitate their respective training activities.
Executive secretariat .....	Executive secretariat .....	Tracks executive correspondence throughout the department and provides timely status of correspondence within the department.
Office of the secretary .....	Financial information systems vision and strategy project.	Manages a department-level initiative to coordinate, consolidate, and improve financial systems in USDA.

\*Note: The 22 activities noted in this table do not include the Modernization of Administrative Processes Program Office. These costs are recovered through the National Finance Center charges.

**WCF FUNDING BY STAFF OFFICE**

**Mr. DURBIN.** Provide a table showing the funding level, in both dollars and staff, for the seven staff offices.

**Mr. WILLIAMS.** I will provide that information for the record.  
 [The information follows:]

**WORKING CAPITAL FUND**  
**[Staff Office Resource Estimates—Fiscal Year 1994]**

Staff office	Operating funds	Capital allocation	Staff years
Finance and management .....	\$114,300,000	\$11,159,000	1,506
Public affairs .....	4,452,000	240,000	29
Information resources management .....	44,612,000	8,156,000	215
Operations .....	18,865,000	821,000	189
Personnel .....	154,000	.....	3
Executive secretariat .....	1,940,000	78,000	21
Chief financial officer .....	2,761,000	.....	0
Total working capital fund .....	187,084,000	20,454,000	1,963

**WCF BUILDING RENTAL**

**Mr. DURBIN.** Object Class 23.1, building rental, increases from \$4,469,000 in fiscal year 1993 to \$8,755,000 in fiscal year 1994. What is the reason for this increase?

**Mr. TOWNSEND.** The increase reflects a new requirement in fiscal year 1994 for WCF activities to pay the full cost of GSA space they occupy. Before 1994, WCF activities were limited to paying only the costs of GSA space at a rate equivalent to the rates paid by USDA reflected in the appropriation made to USDA to pay those charges. This had the effect on WCF activities of paying only approximately 45 percent of the GSA rate. The fiscal year 1994 estimate reflects our estimate of the full charges for which we will be responsible.

**WCF OTHER SERVICES**

**Mr. DURBIN.** Please provide a breakout of object class 25, other services, for fiscal years 1993 through 1995.

**Mr. WILLIAMS.** I will provide that information for the record.  
 [The information follows:]

**WORKING CAPITAL FUND**  
 [Other Services: Fiscal Year 1993-1995]

Category	Fiscal year 1993	Fiscal year 1994	Fiscal year 1995
Contracts .....	12,329,000	13,566,000	12,991,000
Equipment maintenance .....	7,133,000	8,101,000	8,072,000
Software maintenance .....	3,064,000	3,189,000	4,917,000
Support to WCF services .....	2,165,000	3,352,000	4,652,000
Training .....	465,000	1,153,000	1,480,000
Management support .....	4,773,000	5,137,000	5,232,000
Other .....	1,701,000	3,000,000	3,323,000
Depreciation .....	14,643,000	15,798,000	17,831,000
Total .....	46,273,000	53,296,000	58,498,000

**EXECUTIVE SERVICES INCREASE**

Mr. DURBIN. Of the twelve subaccounts listed under Supply/Central Services, the only one requesting an increase in fiscal year 1995 is Executive Services. The justification of increases and decreases states that this increase reflects costs associated with system improvements and expected demand. Would you please be more specific and expand on this.

Mr. TOWNSEND. The Office of the Executive Secretariat was reorganized in fiscal year 1992 to improve the timeliness and effectiveness of Secretarial correspondence functions. Part of this effort required investment in new technology to improve the service. The \$12,000 increase in fiscal year 1994 is the result of this effort, reflected in an increase in capital acquisitions and depreciation charges on those new equipment acquisitions that contribute to the increases reflected in the fiscal year 1995 estimate.

**AGRICULTURE CONTRACT AUTOMATION SYSTEM**

Mr. DURBIN. The enhanced version of the software applications used by the Agriculture Contract Automation System will be released during fiscal year 1994. Would you describe this initiative in further detail. Provide some specific examples of how this system will provide improvements.

Mr. TOWNSEND. The conversion of the original AGCAS software system to the enhanced software was done to provide the users in USDA with a more user friendly system, which is both more efficient in production and technically current in its functions.

The enhanced version provides improved system performance, improved user interface, additional document generation features, improved document appearance, and a fully documented source code. For example, programs will change and the question and answer session data will not be going to the same file. It will be broken up and the result will be a faster more efficient system. The assembly code will be improved and faster as well. This will result in faster processing of the questions and answers, and a faster assembly of a document.

The system's activity is performed on a hard disk. The information may be archived onto a floppy disk. Actions then may be deleted to free up space on the hard drive. The old system only stored information on floppies. The display function provides the user with a list of actions and working documents previously created



without going back to a prior menu. The information is displayed in a pop-up screen. This makes the system much more user-friendly. The user also may edit or create individual pieces of text while in the Q&A session. A function key is selected and an edit screen appears which the usual formal characters already typed in for you—an “on-line editor.” The user does not have to leave the system and go into a word processor and then go through a complex fetching process to incorporate the created text.

The express mode allows the user to generate common solicitation and contracts with minimum number of questions. If the express script is selected certain responses are defaulted and the questions are not asked. The user can extract additional standard clauses and provision language for use in a document where these clauses or provisions were not selected automatically. Clauses and provisions may be viewed on the screen to determine if they are applicable. A reviewer’s checklist is available to summarize each clause or provision included in the document. This can be used for legal review by OGC. The software can run on a local area network or can be loaded onto a server. Some changes to the software may be required to provide “read-only” access. This would eliminate the expense of reproductions costs estimated at \$5,000 to \$6,000 a year.

#### MAP STRATEGIC PLAN

Mr. DURBIN. At last year’s hearing Mr. Hilty told the Committee that the Department was planning to publish a Modernization of the Administrative, MAP, Process Strategic Plan by August 1993. This Plan was to outline the goals, strategies, and actions needed to achieve the MAP vision. Would you tell us if this Plan has been published and describe this MAP vision in further detail.

Mr. TOWNSEND. The MAP vision is for USDA to have modern administrative processes which enable the people of USDA to deliver quality services efficiently and effectively while maintaining the highest level of public trust. MAP is responsible for identifying and implementing the strategies to improve the administrative business processes and systems and the organizational culture changes needed to successfully bring about innovation. The MAP Strategic Plan was published in September 1993. I will provide a copy for the record.

[CLERK’S NOTE.—The Plan is too lengthy for reprint. A copy is retained in Committee files.]

#### WCF DEPRECIATION

Mr. DURBIN. Please update the table that appears on page 877 of last year’s hearing record showing the Working Capital Fund depreciation charges to include fiscal year 1993 actuals.

Mr. WILLIAMS. I will provide that information for the record.  
[The information follows:]

#### *Working Capital Fund Depreciation Charges: Fiscal year 1986–1995*

Fiscal year:	Amount
1986 .....	4,184,000
1987 .....	6,675,000
1988 .....	9,309,000
1989 .....	11,345,000

1990 .....	13,968,000
1991 .....	17,384,000
1992 .....	13,734,000
1993 .....	13,826,000
1994 estimate .....	15,798,000
1995 estimate .....	17,831,000

#### CROSS-SERVICING MORATORIUM

Mr. DURBIN. Let's return to the National Finance Center. What is the status of the moratorium placed on cross-servicing at the Center?

Mr. WILLIAMS. As you know, we instituted the moratorium on cross-servicing in order to reexamine NFC systems and to make necessary improvements so that our systems can serve current customers with excellence and accommodate the increased demand that new cross-servicing might entail. We are now sufficiently confident in the capacity and performance of NFC systems that we are considering a resumption of cross-servicing in the next six to eighteen months. We will keep the Committee informed when a final decision has been made on resumption of cross-servicing and the schedule for implementing that decision.

#### FINANCIAL INFORMATION SYSTEM VISION AND STRATEGY

Mr. DURBIN. The Center is currently working on the Department's Financial Information System Vision and Strategy, FISVIS, project. Would you please describe this initiative in further detail including its estimated cost and completion date.

Mr. WILLIAMS. The Financial Information System Vision and Strategy, FISVIS, project began in fiscal year 1993, and the first key phases should be implemented in fiscal year 1996, with overall implementation by FY 1998. The mission of FISVIS is to effectively and efficiently support USDA's on-going strategic operations by providing financial management and performance information to policy, management, program, and operating personnel, recognizing that financial information is only a portion of a manager's information needs. The plan for FISVIS is to have a completely integrated financial management system incorporating all USDA financial systems and the financial portion of mixed systems. The FISVIS implementation is based on the close involvement and partnership of the Department and its agencies in each phase of the effort. The implementation will provide accurate, timely, reliable, and consistent information as USDA empowers its employees and asks them to assume accountability for their decisions and the resources entrusted to their care. The current estimate of new investment for the first phase of FISVIS is \$14,040,000.

#### FISCAL YEAR 1995 STAFF YEAR REDUCTION

Mr. DURBIN. Although it has never been fully documented, this moratorium was put in place for a number of reasons. The Center was expanding faster than it had the capacity to keep the software updated, requests for system changes were being made by users of the Center, and the Inspector General, through several audits, identified weaknesses in the security of the systems operating at the Center. The moratorium was established to take care of these problems. With the workload increases as a result of these initia-



tives plus the new FISVIS project, why are you proposing to reduce the number of staff years at the Center by 55 in fiscal year 1994?

Mr. WILLIAMS. The reduction in staff years in fiscal year 1995—from 1,506 to 1,451—is based on current workloads and on the assumption that implementation of recommendations made by an outside contractor will enable us to improve operational efficiencies. Further, the staff year and dollar estimates do not include cost estimates for growth in the requirements of the Thrift Savings Board or the resumption in cross-servicing. Since we have no commitments for additional future cross-servicing, resource estimates would be speculative.

#### FISVIS COSTS BY AGENCY

Mr. DURBIN. Provide a table for the record showing the amount of funds each agency contributed to this project in fiscal year 1993 and estimates for fiscal year 1994.

Mr. WILLIAMS. I will provide that information for the record.  
[The information follows:]

#### WORKING CAPITAL FUND FINANCIAL INFORMATION SYSTEMS VISION AND STRATEGY PROJECT

[Cost Distribution: fiscal year 1993/1994]

Agencies	Fiscal year	
	1993	1994
Office of the executive secretariat .....		952
Office of the secretary .....		15,506
Agriculture marketing service .....	642	151,967
Agriculture research service .....	230	57,947
Agriculture stabilization and conservation service/commodity credit corporation .....		129,429
Farmers home administration .....	137	68,831
Federal Crop Insurance Corporation .....		15,758
Extension service .....		9,955
Foreign agricultural service .....		15,338
Forest service .....	6,065	1,411,706
National agricultural library .....		7,629
Office of public affairs .....		7,340
Office of the general counsel .....		5,450
Rural electrification administration .....		18,808
Soil conservation service .....	1,835	434,142
Economic research service .....		10,915
Economic analysis staff .....		4,075
National agricultural statistics service .....		14,374
Cooperative state research service .....		10,258
Office of the inspector general .....		9,716
Office of energy .....		1,989
Packers and stockyards administration .....		4,669
Agricultural cooperative service .....		2,948
Food and nutrition service .....		177,268
Rural development administration .....		4,416
Animal and plant health inspection service .....	255	51,011
Economics management staff .....		6,215
Federal grain inspection service .....		20,007
Food safety and inspection service .....	124	31,211
World agricultural outlook board .....		4,530
Office of budget and program analysis .....		1,769
Office of international cooperation and development .....		10,305
Human nutrition information service .....		3,453
Office of information resources management .....		8,823
Office of finance and management .....		8,659
Office of administrative law judges .....		1,259
Office of advocacy and enterprise .....		2,459

WORKING CAPITAL FUND FINANCIAL INFORMATION SYSTEMS VISION AND STRATEGY PROJECT—  
Continued

[Cost Distribution: fiscal year 1993/1994]

Agencies	Fiscal year	
	1993	1994
Office of personnel .....		4,383
Office of operations .....		13,958
Alternative agricultural research and commercialization center .....		572
Total .....	9,288	2,760,000

NATIONAL FINANCE CENTER STAFF YEARS

Mr. DURBIN. Provide a table for the record showing the staff year levels at the Center for fiscal years 1988 through 1993 and estimates for fiscal year 1994.

Mr. WILLIAMS. I will provide a table of staff years for the record.  
[The information follows:]

*Working Capital Fund/National Finance Center Staff Year Utilization: FY 1988–FY 1994*

Fiscal year:		
1988 .....		1,190
1989 .....		1,229
1990 .....		1,301
1991 .....		1,370
1992 .....		1,449
1993 .....		1,535
1994 (estimate) .....		1,506

NFC CROSS-SERVICING CUSTOMERS

Mr. DURBIN. Please provide a list of all cross-servicing the Center performs.

Mr. WILLIAMS. I will provide that information for the record.  
[The information follows:]

Working Capital Fund/National Finance Center  
Current Cross-Servicing Customers

Agency	FS	DPRS	PP	BLCO	MISC	AP	TRAV	TSPS	PMIS	MATS	CETR
ACTION		X	X								
AOUSC		X									
ADF		X									
AID		X									
AIT		X									
ARC		X	X								
AOC		X	X								
CCR	X	X									
CSCE			X								
CFTC		X	X								
CBO		X	X								
CRT		X	X								
CNCS		X	X								
DOC		X	X						X		
DOD		X									
ED		X				X			X		
DOE		X									
HHS		X									
HUD		X	X								
DOJ		X	X								
DOL		X			X						
DOS		X					X				
DOT		X									
DVA		X									
USAF		X									
USA		X									
DOI		X			X				X		

Agency	FS	DPRS	PP	BLCO	MISC	AP	TRAV	TSPS	PMIS	MATS	CETR
USN		X									
TREA		X	X						X		
DC		X									
EPA		X									
EEOC		X									
EIBUS		X									
FCA		X	X								
FCSIC			X								
FBI		X									
FCC	X	X									
FDIC		X	X								
FEC		X									
FEMA		X	X								
FHFB		X									
FLRA		X									
FMC		X									
FMSHRC			X								
FRTIB								X			
GU		X									
GAO		X	X						X	X	
GSA		X									
GPO		X	X								
IAF		X									
ICH			X								
JCSPSTD			X								
LOC		X	X								
MLKJFHC	X										
MSPB	X	X									
NASA		X									
NARA		X									





Agency	FS	DPRS	PP	BLCO	MISC	AP	TRAV	TSPS	PMIS	MATS	CETR
USSAJC			X								

## Key to Services:

AP	Administrative Payments and Related Billings, Collections, and Accounting
FS	Full Service: Payroll/Personnel, Administrative Payments, Billings and Collections, Central Accounting, and Optional Property Management Information
PP	Payroll/Personnel and Related Billings, Collections, and Accounting
BLCO	Program Billings and Collections System
CETR	Casual Employee Time Reporting System
DPRS	Direct Premium Remittance System
MATS	Mission and Assignment Tracking System
MISC	Miscellaneous Support Services, Generally involving CPU Time, Rent, Utilities, Labor, or Data Extraction
PMIS	Property Management Information System
TRVL	Travel system
TSPS	Thrift Savings Plan System

Working Capital Fund/National Finance Center  
Current Cross-Servicing Customers

## ACTION

Administrative Office of the United States Courts  
 African Development Foundation  
 Agency for International Development  
 American Institute in Taiwan  
 Appalachian Regional Commission  
 Architect of the Capitol  
 Commission on Civil Rights  
 Commission on Security and Cooperation in Europe  
 Commodity Futures Trading Commission  
 Congressional Budget Office  
 Copyright Royalty Tribunal  
 Corporation for National and Community Service  
 Department of Commerce  
 Department of Defense  
 Department of Education  
 Department of Energy  
 Department of Health and Human Services  
 Department of Housing and Urban Development  
 Department of Justice  
 Department of Labor  
 Department of State  
 Department of Transportation  
 Department of Veterans Affairs

Department of the Air Force  
 Department of the Army  
 Department of the Interior  
 Department of the Navy  
 Department of the Treasury  
 District of Columbia Government  
 Environmental Protection Agency  
 Equal Opportunity Employment Commission  
 Export-Import Bank of the United States  
 Farm Credit Administration  
 Farm Credit System Insurance Corporation  
 Federal Bureau of Investigation  
 Federal Communications Commission  
 Federal Deposit Insurance Corporation  
 Federal Election Commission  
 Federal Emergency Management Agency  
 Federal Housing Finance Board  
 Federal Labor Relations Authority  
 Federal Maritime Commission  
 Federal Mine Safety and Health Review Commission  
 Federal Retirement Thrift Investment Board  
 Gallaudet University  
 General Accounting Office  
 General Services Administration  
 Government Printing Office  
 Inter-American Foundation  
 Interagency Council on the Homeless  
 John C. Stennis Center for Public Service Training and Development  
 Library of Congress  
 Martin Luther King, Jr., Federal Holiday Commission  
 Merit Systems Protection Board  
 National Aeronautics and Space Administration  
 National Archives and Records Administration  
 National Capital Planning Commission  
 National Endowment for the Arts  
 National Endowment for the Humanities  
 National Gallery of Art  
 National Labor Relations Board  
 National Mediation Board  
 National Science Foundation  
 Occupational Safety and Health Review Commission  
 Office of Government Ethics  
 Office of Personnel Management  
 Office of Technology Assessment  
 Overseas Private Investment Corporation  
 Peace Corps

Railroad Retirement Board  
Resolution Trust Corporation  
Saint Lawrence Seaway Development Corporation  
Securities and Exchange Commission  
Selective Service System  
Small Business Administration  
Smithsonian Institution  
United States Botanic Garden  
United States Court of Veterans Appeals  
United States House of Representatives  
United States Information Agency  
United States Office of the Special Counsel  
United States Postal Service  
United States Senate  
United States Soldiers' and Airmen's Home  
United States Supreme Court  
United States Tax Court  
United States-Saudi Arabian Joint Commission on Economic Cooperation



## NFC SERVICES REDUCTIONS

Mr. DURBIN. Do you plan to reduce any of these services?

Mr. WILLIAMS. We plan to provide the level of service each of our customers requests. So far, there have been no indications from our customers that they will require reductions in service.

Mr. DURBIN. Mr. Williams, you also talked about performance review, but I am going to defer that question to my friend, Mr. Skeen, who had a special personal interest in this.

Mr. Skeen.

Mr. SKEEN. Thank you, Mr. Chairman.

Mr. Townsend and Mr. Williams, with all the committees and subcommittees that I have served on the way we handle the data and the processing, we have got the worst system in the entire world in our government and through the agencies because every agency has its little way of doing business and the little way of taking care of information.

Nobody talks to anybody else. Nobody programs or upgrades. If we get in a budget crisis, the first thing that happens, we take care of personnel first. The last thing we do is improve our data system.

## USDA PREMIER IN FINANCIAL DATA SYSTEMS

I want to commend the Department of Agriculture for being the premier agency in handling the financial data and the work you have done in the Finance Center. Visiting the Finance Center was one of the most uplifting experiences that we have had in a long time because it finally made some real good sense and we want to convince others that instead of being the Department of Agriculture, we would also like for you to sub out as the Department of Data. I think that will be real progress.

I know that you have had these studies going on for several years and you have got a moratorium on cross-servicing at the present time, and I know that Congressman Livingston has an avid interest in the Finance Center, therefore, Mr. Chairman, I ask that these questions be made a part of the record and be submitted for the record.

Thank you.

## HAZARDOUS WASTE MANAGEMENT

Let me ask you about the waste management topic that we were talking about earlier. And I don't want to go on without commending you very sincerely in the work you folks have done, and I think that you are a leadership agency in doing this.

I would like to ask you about the waste management topic that you discussed with the Chairman. And this had to do with the Forest Service, I think, in the main, the problem about financing their waste management or the clean-up.

## DEPARTMENT OF INTERIOR COST SHARINGS

Did you send the Department of Interior a bill. I am always interested in what the Department of Interior is doing with their money and because we pay a lot of grazing fees and I want to know that they are being used properly.

I had to get that one in.

Does the Department of Interior come up on the cost share on this, this waste clean-up.

Mr. TOWNSEND. May I provide you just a preliminary answer?

Mr. SKEEN. Just by way of overview, and if you have got more detail, we will take that for the record.

Mr. TOWNSEND. The overview is that we work jointly with them on cleanup of hazardous waste sites. Each Department is responsible for cleanup of its portion of these sites. So, each Department contributes its fair share to joint efforts.

Mr. SKEEN. I was wondering if the Interior Appropriations Subcommittee had been aware that there was this appropriation or having made any appropriation for it.

Mr. TOWNSEND. They are aware of our appropriation requests.

#### INFORMATION SYSTEMS

Mr. SKEEN. The technical—let's go back to the IRM system. And I am very much interested and I hope that we can use what you folks are doing as a model for getting other agencies up to speed. Either that or turn it over to you and let you handle their data.

I really was impressed, but are you handling the total technical specifications for these procurements and developments of this system and also keeping it up to date. Have you made that a specific part of your plan?

Mr. TOWNSEND. Yes.

Mr. SKEEN. Keeping it from being obsolete? That was one of the problems we had data-wide.

Mr. TOWNSEND. In terms of life cycle, yes, we have life cycle planning.

Mr. SKEEN. Do you have the authority and would the procurement be managed and designed—designed by your office, managed by your office.

Mr. TOWNSEND. That is correct.

#### INFO SHARE STAFFING

Mr. SKEEN. Very good. Does the USDA plan to manage the implementation of Info Share entirely with your own staff or are you going to have to farm some of this out.

Mr. TOWNSEND. Most of the staff are detailed from the program agencies. Info Share has a core staff of about 13 FTEs, but most of the staffing for Info Share comes from the participating agencies.

Mr. SKEEN. So it is a cooperative effort and the basis for the exchange of information.

Mr. TOWNSEND. The team provides for an excellent exchange of information.

Mr. SKEEN. I don't know how you did it.

Mr. TOWNSEND. Well, it was——

Mr. SKEEN. Is it working?

Mr. TOWNSEND. It was imperative, that is how it happened.

Mr. SKEEN. I think that has been obvious. For the last ten or almost 14 years. I have never seen such inefficiency in my life and inability to use the data systems that we have in many agencies because none of them fit within each other.



## BUSINESS PROCESS DRIVEN

Mr. TOWNSEND. Mr. Skeen, I think the real coaxing element was that we are a program which is business-process driven. We are business driven in terms of how the agencies actually do their work and how we can support them in doing their work. I think that was the major coaxing element.

Mr. SKEEN. Do you mean to tell me that we have finally gotten to the point where we are going to take a lesson out of business operations and put them into government and actually make it work?

Mr. TOWNSEND. As novel as it might seem.

Mr. SKEEN. I really want to commend you and tell you that I was so impressed with the work that you are doing and also the cross-servicing. Now I understand where with the investigations or whatever that is going on, the inquiries that are being made and the studies that are being done, we got GAO.

## CROSS SERVICING MORATORIUM

And I have a real problem with GAO who is so busy investigating everything relative to government. I would like to see them agree that we should lift those moratoriums as fast as they can and get you back in business because you folks really provide a good service. You are the key, I think, to decreasing the cost of handling just our financial affairs.

## ELECTRONIC TRANSFERS

I think the Chairman is exactly right, we ought to do something about the electronic transfers. I think the problem there is the individual themselves, because we resist changing our tradition. I think every employee likes to—know that that paycheck is something tangible. Electronic transfer is like the gee whiz stuff, you know. You are not sure there is not a bug in the system and they won't get their money.

But we are coming into the 21st century and we are still operating in the 19th century in some cases, and I think that you folks have done an outstanding job in perpetuating a good example of what you can do with good management and a lot of foresight so far as handling your data processing because you are doing it for many other agencies and making it work.

Mr. TOWNSEND. Mr. Skeen, as you indicated, with electronic bank deposits, you are right, it does boil down to the person, to the individual recipient and whether or not it is an attractive change for them.

Mr. SKEEN. They have the right to an option, I suppose, but there ought to be some program to say, look, let us show you that it does work and assure you that it is safe and try to convince them, because I think the cost savings would be enormous.

These days when we are squeezing every dime that we can squeeze, and you folks know it better than anyone else. We must come up with some innovative plans at reducing the cost of this operation and doing it well and utilizing the technology that we have got available to us.

I know that the devolvment of the technology is so rapid but that can be planned as well. I think you have done a good job of doing that because you know you have got a day-by-day change.

#### WORKING CAPITAL FUND

I want to ask you about the Working Capital Fund. How did you initiate that and how do you manage in it your appropriations cycle?

Mr. TOWNSEND. Well, it is a revolving fund that is managed by the Office of Financing Management and overseen by a policy board, which I chair.

Mr. SKEEN. But you are not scored adversely insofar as your appropriations?

Mr. TOWNSEND. No.

Mr. SKEEN. For backing this fund?

Mr. DEWHURST. No, sir. All the money is contributed by agencies who pay for the services being rendered, so it is a transaction that is internal to the Department.

Mr. SKEEN. I used to work for government and I know, come the end of fiscal year, you have got to get rid of all this money because we have to go after some more. It never really made any sense.

I think you are finally coming to the realization that you can hang on to your appropriations and you are really responsible for the management of them if you are handling this fund well. I think it is another landmark. So I have done nothing but praise you. If you got anything bad you want to talk about please speak up.

#### INFOSHARE PROGRAM

Mr. SKEEN. For the last two years the Department has described the development of the IRM Strategic Plan and the new program called Info Share program. Would the technical specifications for these procurements be developed under your direct authority and would procurements also be managed by your office?

Mr. TOWNSEND. The Secretary has designated me as the principal policy official overseeing the Info Share program. Program operations are managed by the Office of Information Resources Management, one of the Departmental Administration staff offices reporting directly to me. Policy guidance is developed by the Info Share Executive Committee, which I chair. Membership on that committee includes the Under and Assistant Secretaries, the Chief Financial Officer, and agency heads in the affected mission areas.

Specifications for Info Share procurements are developed by Info Share teams, comprised of agency personnel. The Info Share Trail Boss has a delegation of procurement authority from the General Services Administration to manage Info Share procurements.

#### IMPLEMENTATION OF INFOSHARE

Mr. SKEEN. Does USDA plan to manage the implementation of Info Share entirely with its own staff or have you considered seeking outside support, which many other agencies have done through the procurement process?

Mr. TOWNSEND. The core Info Share staff is made up of USDA employees. Several project teams have been established and are



staffed by USDA employees on full-time or part-time details from partner agencies. Also, we have used outside contractor support for some tasks up to this point and plan to use contractors for numerous tasks over the life of the program.

We plan to use internal contracting officers who are experienced in large scale ADP procurements to administer Info Share acquisitions and will investigate using outside support, such as the Defense Information Systems Agency Information Technology Procurement Organization, to assist with specific acquisitions to augment our in-house resources.

#### INFOSHARE MANAGEMENT

Mr. SKEEN. What is USDA doing in its planning for Info Share management to take advantage of the experience gained from successful government/industry partnerships elsewhere?

Mr. TOWNSEND. We have had consultations with officials from the Social Security Administration and the Internal Revenue Service regarding very large scale system modernization projects currently underway in their respective agencies. As noted above, we plan to make extensive use of outside contractors who have experience in large modernization projects.

#### COMPUTER PROGRAM

Mr. SKEEN. If there are no major computer equipment or service contract proposals in this year's proposed budget, do you have a timetable that would suggest when a comprehensive computer program under Info Share will be presented to this committee?

Mr. TOWNSEND. Info Share has developed a comprehensive proposal for equipment and service acquisitions and applications development. The total life cycle cost of the Info Share Program, for fiscal years 1993 through 1999, is approximately \$1.2 billion. There will be a series of contracts awarded and in-house development activities carried out each year beginning in fiscal year 1995. I would be pleased to provide for the record a copy of the estimates for the life of the program.

The information follows:

#### *Estimated obligations for info share information technology*

Fiscal year:	Budget
1995 .....	\$90,000,000
1996 .....	338,354,000
1997 .....	349,019,000
1998 .....	236,760,000
1999 .....	96,958,000

#### TIMETABLE

Mr. SKEEN. If there is not a timetable, either in this year's budget or in preparation for next year's budget for a Department-wide Info Share package, does this mean that the individual agencies are continuing to develop their own programs?

Mr. TOWNSEND. We are requesting an increase of \$61.49 million for the Info Share program budget for FY 1995 which will be used for acquiring ADP resources and administering program functions which are common to all the partner agencies. The agencies will continue to develop, support and maintain their agency-specific sys-

tems and applications using their own appropriated program funds. for example, ASCS has agency-specific requirements for applications to support the Commodity Credit Corporation programs and SCS must develop and maintain special engineering and conservation planning applications.

Mr. SKEEN. Thanks again. I appreciate what you are doing and I really admire the effort to make this one of the most outstanding groups that we have dealt with in government that made a lot more sense than anything else we have seen going on.

Mr. WILLIAMS. Thank you, sir.

Mr. SKEEN. We appreciate it.

Thank you, Mr. Chairman.

Mr. DURBIN. Mr. Walsh.

Mr. WALSH. Thank you, Mr. Chairman.

Thank you all for your testimony. I think probably one of the worst decisions I made was not to go on that trip. It sounds like that would have been the right thing to do instead of doing something stupid, like going home and going fishing or something.

Mr. SKEEN. Work the district.

Mr. WALSH. Hold town meetings, fish for votes. It is great to hear such an upbeat commentary by my colleagues on the Committee. I have just a couple of questions on your computer services.

I understand the next major USDA computer service contract to come up for renewal is the CBIS contract. That was with Farmers Home Administration. Will other agencies join FmHA in that contract this year?

Mr. TOWNSEND. Is this an Info Share procurement?

Mr. WALSH. I am not really sure. As I understand it, this is the operational system for FmHA.

Mr. TOWNSEND. Right.

Mr. WALSH. I guess the idea would be for other agencies to join.

Mr. TOWNSEND. You are right, While this is predominately a FmHA support contract, other agencies may join.

Mr. WALSH. That will give you economies of scale and dollars.

Mr. TOWNSEND. That is right. And the outcomes are gained more efficiently through this contract.

Mr. WALSH. Just a follow-on to that. Are funds for this contract renewal sought elsewhere in the USDA appropriations package other than here? In FmHA's budget, for example?

Mr. TOWNSEND. No.

Mr. WALSH. Just here?

Mr. TOWNSEND. Yes.

Mr. WALSH. Thank you very much.

No further questions, Mr. Chairman.

#### PERFORMANCE REVIEWS

Mr. DURBIN. Could I follow up on one area that Mr. Williams mentioned on the performance review? Last year, in our appropriations bill, we asked the Department to send us a report on performance review of an agency. You have mentioned that same term. Please give me a description of what you consider performance review to entail?



## PERFORMANCE REVIEW OF FMHA

Mr. WILLIAMS. Well, sir, an example in performance review is under way in response to your request with Farmers Home, the single-family program, wherein we worked with GAO to develop a set of performance measures where data was actually available, and it is an example of performance review in the sense that it allows us to develop outcomes for specific programs that basically use cost accounting data, cost of certain units of service, or certain products that roll up to certain outcomes.

An example would be to take, for example, a park. Say that we want to basically produce an outcome that will bring the level of quality of a park based on some survey of customers from a rating of five up to a rating of six. What is a marginal cost of bringing that park up to that new level of quality that we want to achieve or, in other words, what is the cost of that outcome? So it is a matter of looking at customers' needs. It is a matter of using cost accounting data, cost centers to develop what these outcomes are.

## FARMERS HOME ADMINISTRATION

Mr. DURBIN. We challenged the Farmers Home Administration last year, and suggested that paperwork problems had mired down many of the Agency's activities. In fact, some of the people from the Farmers Home office in Illinois had met with me and showed me the stack of forms that had to be filled out by applicants coming into the Agency.

After we took a look at them, we realized that many of these forms were created by people working at the Agency. Many had been created, at least indirectly, by Congress. The one that is on my list of favorites relates to applications for home repair by low-income senior citizens. In our effort to promote a drug-free America, Congress requires elderly women, in this particular instance, to file an affidavit that they will not sell narcotics in their home if they get a Farmers Home loan to repair the roof. I am sure this requirement has had a real impact on drug activity in America. I say that facetiously, but it is an example where our best intentions have not helped the situation at all.

The Farmers Home Administration, to their credit, replied in a timely fashion to my request for information about how to reduce the number of forms. I am hoping that we in Congress can also respond along the same lines. I would like to invite you both, Mr. Townsend and Mr. Williams, as you get into this Performance Review, if you find that some of the inefficiencies have been foisted on you by the wisdom of Capitol Hill, you will be bold enough to come tell us.

## OVER REGULATION HURTS EFFICIENCY

At least this Member, and I think some others on the subcommittee as well, would like to sit down and see if there are ways we can make this a more efficient process and meet our end goals more effectively.

Mr. WILLIAMS. I think that your comments reflect a real appreciation for the fact that we have got a lot of controls right now over our program managers, but in many instances, all we are really

doing is just paying for a lot of paperwork and paying for a lot of regulation and really just impairing performance. The goal at least of performance measurement is that by trying to manage by results, we will be able to get the same kind of efficiency or even more while maintaining effectiveness.

Mr. DURBIN. We have got to figure out some means of establishing a dialogue between agencies and Congress so that, as you find ways to become more efficient, we can help you at the administrative level and make the necessary changes in legislation to allow that to happen. I think agencies are reluctant to say to Congress, we think you might have made a mistake requiring elderly ladies to file an affidavit about narcotics possession could we ask you to reconsider?

We have got to get beyond that and find a way to communicate that is not threatening to the administrator who may feel that his or her neck may be on the block next time around because of that kind of suggestion. I hope we can do that.

Mr. WALSH. Mr. Chairman, would you yield?

Mr. DURBIN. Certainly.

#### REINVENTING GOVERNMENT

Mr. WALSH. I certainly applaud what the Chairman has just said. One of the real frustrations that I have had in this job is going out and spending some time at a governmental agency and seeing how difficult it is for not only the applicants, but also the governmental employees, to get through this process. And they have a better idea, you know. And they can tell you what the better idea is, but to get that better idea from there to here back to them and the implementation of that better idea, the loop is open-ended. It doesn't seem to ever close.

I just think if we can figure out a way to get that better idea implemented, either by coming back to the Congress or by doing it directly through the Agency, to streamline all these government processes that we have, to me that is Reinventing Government. We need to let the employees tell us a better way to do it and then give them the decision-making authority to do that, and take us out of the loop as much as possible to shorten those intervals for our constituents.

So I certainly applaud what you are doing.

Mr. DURBIN. Well, I think Mr. Williams, being first Chief Financial Officer, has an opportunity to be a real pioneer. I hope, as you get into this, you will accept that mandate and work with Mr. Townsend and the Secretary to help us understand this process and make it more cost efficient.

Mr. Pastor.

#### MODERNIZING COMPUTER SYSTEMS

Mr. PASTOR. I have heard before about the modernization plans the Department has developed for its computer information system. I understand you are planning to invest X number of dollars now to help you save money down the road. I have heard you are going to save a billion dollars.

Mr. TOWNSEND. That is correct.



Mr. PASTOR. I am concerned you may not be able to implement your plan if local interests interfere with your process.

#### INFO SHARE SAVINGS

I am assuming there is a plan, to be implemented over the number of years, that will allow you to realize the savings you are anticipating. What assurances can you give us that these savings will indeed be realized?

Mr. TOWNSEND. Mr. Pastor, we have already obtained some savings through Info Share. I believe the program you are speaking of is Info Share which will serve the Farm Service Agency, natural resource agencies, and rural development agencies. The savings there have already begun, as we have noted in some of our demonstrations across the country.

I indicated earlier in my testimony that one area is in the Cotton Classification Programs where it used to take us five working days to process a payment to a farmer. But now through Info Share, it takes us only 18 minutes. And we have that right now. We have it in 200 counties in the United States. By the end of this year, we will have it in the 900 cotton producing counties in the country.

So, where we see success, we are building on it, and we are building on it swiftly. The plan calls for continued implementation of these phased-in activities, the fast tracks of Info Share. We have some 14 fast tracks that we are moving on and we are monitoring them very closely.

By the end of 1996, we would see the framework for Info Share in place nationally. In terms of all the completed hardware, and the software conversions, we probably will not see it completed until 1999.

#### SOFTWARE COMPATIBILITY

Mr. PASTOR. Sometimes you develop the best software only to find its incompatible with your hardware.

How are you dealing with that?

Mr. TOWNSEND. We are doing it through a business approach—business reengineering or business analysis. This is a business-driven process of finding out what is needed at the end-user level, at the local level, and building the systems from there. You are right. What we are going to have to do is use some of the old systems and the old architecture that are out there, and we are going to have to build on to it and modify it simply because we are not seeking the funds to do it across the board all at once. We are still in the early, early stages of Info Share in that regard.

But from an analysis standpoint, we are pretty far along.

#### IRM STANDARDS

Mr. PASTOR. Who is ultimately accountable for the new system? At what level does someone or a group of people say, no, we know you like that hardware or, no, we know you like that software, but it is not part of the plan. That is sometimes the most difficult part of implementing a new system.

Mr. TOWNSEND. You are absolutely right. And through our procurement process, the Office of Information Resources Management

has developed requirements and standards for all ADP procurement in the Department now. Previously, that did not exist. And for those number of years where it didn't exist, we did have purchases of incompatible systems between agencies. But now that we have a pretty good handle on procurement, they all meet certain specifications and certain standards.

Mr. PASTOR. Thank you, Mr. Chairman.

#### SMOKING IN USDA BUILDINGS

Mr. DURBIN. Mr. Townsend, last year in the Appropriations Committee report language, we asked the Secretary to perform a study on what it would take to protect nonsmokers from the exposure of second-hand smoke at the Department and report back to us. Could you tell me what has been done as a result of that?

Mr. TOWNSEND. Mr. Chairman, at the direction of the committee, we have undertaken a task force approach which is a diverse task force of both smokers and nonsmokers of all grade levels to come up with a policy on smoking in the USDA complexes, both those that are owned by USDA and those that are leased. And we, of course, came into compliance with GSA's Federal building management regulations.

The task force is still meeting. We expect it to be conferring on a number of very difficult issues for the Department for the balance of this year. We are hoping that the plan will be available toward the end of the year.

One of the things that they have had to grapple with, particularly in some of our older facilities, is how can the rights of nonsmokers be protected. And in some of our older facilities such as the South Building, it is proving to be a very difficult engineering barrier.

Mr. DURBIN. You are expecting to report back to us by the end of this year?

Mr. TOWNSEND. Yes, sir.

Mr. DURBIN. We look forward to receiving it.

Mr. Livingston, a member of the Appropriations Committee has some questions he would like answered for the record.

[The questions and responses follows:]

#### NFC IMPROVEMENT FUNDING

Mr. LIVINGSTON. The Subcommittee received a report from the General Accounting Office in February stating that USDA had completed two recent management studies regarding the National Finance Center (NFC) in New Orleans, and that a third study is underway. The GAO report went on to state that USDA did not expect an end to the moratorium (that has been in place since 1990) on new cross servicing initiatives to end for another year and a half to two years. In addition to the three studies mentioned by the GAO, USDA testified last year that since 1990 at least four different internal and outside studies on the NFC had been conducted. Provide for the record what funding has been actually allocated (by fiscal year since 1990) for improvements in software or hardware at the NFC, management and systems improvements, and system modernizations. Provide a detailed breakout for each by fiscal year, including what is budgeted in fiscal year 1995 and the outyears.

Response. We will provide that information for the record.

[The information follows:]

## WORKING CAPITAL FUND/NATIONAL FINANCE CENTER SYSTEM IMPROVEMENT COSTS: FY 1990-1996

[Dollars in Thousands]

Expense	Fiscal year						
	Actual				Estimate		
	1990	1991	1992	1993	1994	1995	1996
Hardware lease ..	\$3,014	\$1,701	\$3,580	1,232	\$2,713	\$1,525	\$1,525
Hardware maintenance .....	1,727	2,130	2,210	2,499	3,363	3,663	4,162
Software lease ..	1,108	1,316	1,247	1,466	1,835	2,525	3,775
Software maintenance .....	526	770	291	1,337	1,301	1,625	1,825
Software (non-capitalized) ....	293	721	197	159	443	377	405
Hardware (non-capitalized) ....	0	0	0	165	461	1,587	1,624
Hardware (capitalized) .....	6,157	6,136	5,623	5,158	10,139	9,631	8,920
Software (capitalized) .....	711	744	124	79	276	590	105
Subtotal/Hardware-software	13,536	13,518	13,272	12,095	20,531	21,523	22,341
MAP/AIMS costs .....	2,200	4,100	5,400	1,400	0	0	0
System enhancement .....	0	0	0	0	2,500	2,600	2,704
Total .....	15,736	17,618	18,672	13,495	23,031	24,123	25,045

## COST OF NFC STUDIES AND REVIEWS

Mr. LIVINGSTON. Of the 3 studies mentioned by GAO, provide the cost and name of the firms for those studies performed by outside contractors. Provide for the record the same information on any other outside reports concerning the NFC conducted since August, 1992.

Response: I will provide that information for the record.

[The information follows:]

## WORKING CAPITAL FUND/NATIONAL FINANCE CENTER STUDIES AND REVIEWS—1992—PRESENT

Date	Vendor	Amount
March 1992 .....	Synex/Logicon (Technical assessment of AIMS Project) .....	\$275,000
August 1993 .....	Synex/Logicon (Administrative systems improvement analysis) .....	539,693
August 1993 .....	Synex/Logicon (Review and assessment of ADP security, not yet complete).	337,509

There have been no other formal assessments done by outside contractors other than audits of the Thrift Savings Plan System by the contractor employed by the Department of Labor, KPMG Peat Marwick. Costs for these audits were paid by the Department of Labor.

## FUTURE CROSS-SERVICING PLANS

Mr. LIVINGSTON. USDA testified last year that NFC's cross servicing success was primarily limited to the payroll/personnel system and thrift savings plan support. USDA has provided documentation to my office that since February, 1990, USDA has had 40 inquiries from various other Federal agencies or offices regarding new cross servicing support. At least 21 of these inquiries for new cross servicing support were related to payroll/personnel. In light of the savings that are realized from cross servicing (GAO's February report to the Subcommittee stated that the Treasury Department estimated that "it will spend \$33.9 million less on payroll/personnel proc-



essing in fiscal years 1993 through 1995 by switching to NFC.”), why is USDA going to wait until 1995 or 1996 (as currently planned) to actively follow up on their own on these inquiries regarding payroll/personnel cross servicing support?

Response. We have a huge servicing responsibility at the NFC. In addition to providing financial transaction processing services that support all of the USDA's activities, we currently payroll about one-half million Federal employees, service some 2.1 million Thrift Savings Plan participant accounts and provide many additional services to a host of other Federal agencies.

Our first obligation is to provide these organizations with timely, high quality services at the lowest cost. At the time we initiated the moratorium on expansion of cross-servicing at the NFC in 1990, we knew that we have serious systems and staffing problems that made it infeasible for us to expand without seriously jeopardizing our ability to meet the needs of our existing clientele.

We have been working diligently to remedy our problems by developing a five-year plan and prioritizing and addressing the issue pointed out by the Office of the Inspector General and the General Accounting Office. We feel that we can modify the moratorium to allow limited growth in the next six to eighteen months. This decision is, of course, contingent on our ability to continue implementing improvements at the Center at a satisfactory rate, our consulting with appropriate personnel in and out of USDA, and obtaining sufficient resources. Our marketing plan for resumed growth will include contacting organizations which have previously inquired about payroll/personnel cross-servicing support.

#### AGENCY RESPONSE TO CROSS-SERVICING MORATORIUM

Mr. LIVINGSTON. Isn't it true that these agencies did not make follow up formal requests for cross servicing support because, after their initial inquiries, USDA told them there was a moratorium on new cross servicing support provided by the NFC?

Response. I cannot speak for the agencies, but that may be a reason. The moratorium, however, was never intended to be permanent. It purpose was to ensure that current and prospective users would have the advantage of being served by the best systems possible. We believe that the moratorium enabled us to accomplish that aim and placed us in a position to consider restarting cross-servicing in the near future.

#### PLANNED FTE REDUCTIONS AT THE NFC

Mr. LIVINGSTON. USDA reorganization proposals currently being considered by Congress and USDA call for significant reductions in personnel (FTEs). I understand USDA has already targeted significant reductions to NFC FTE allocations in fiscal year 1994, 1995, & 1996. Is this true? If so, provide them for the record.

Response. Yes, Mr. Livingston, our estimates do reflect plans to take reductions in FTEs at the NFC. However, these plans do not reflect increased growth in the Thrift Savings Plan, and they do not reflect resumption of cross-servicing. Our planned FTE allocations are as follows:

#### Working Capital Fund FTE Allocation—National Finance Center

Customers	FY		
	1994	1995	1996 Preliminary estimate
USDA .....	729	729	729
Non-USDA .....	777	722	722
Total FTEs .....	1,506	1,451	1,451

#### IMPACT OF FTE REDUCTIONS ON CROSS-SERVICING

Mr. LIVINGSTON. I understand that FTE reductions being proposed for the NFC will impact current cross servicing performance levels as well as any additional cross servicing demands or requests. Is this accurate?

Response. FTE reductions will not affect current cross-servicing performance levels as the reduction in staff is based on current workloads and the assumption that implementation of recommendations made by an outside contractor will enable us to improve operational effectiveness. Further, the staff year estimates do not include cost estimates for growth in the requirements of the Thrift Savings Board or the resumption in cross-servicing.



## USDA ACTION ON FTE REDUCTIONS AT THE NFC

Mr. LIVINGSTON. What is USDA doing to address FTE reduction allocations for functions such as the NFC that currently save millions in taxpayers funds and have the potential to save even more?

Response: We are very proud of the NFC's reputation for providing low-cost, high-quality service to a great number of customers in the Federal government. I appreciate your acknowledgment of our ability to save the taxpayer's money. We hope to continue building on these achievements, even in a personnel reduction context. Part of this effort is our reexamination of NFC systems to identify areas where we can take greater advantage of automated data processing technologies and employ advanced management techniques and processes. This effort was the basis for our placing a moratorium on cross-servicing. Now, having completed this step, we can consider resuming cross-servicing and developing enhanced systems that will allow us to continue delivering low-cost, high-quality services, as we operate under personnel constraints.

### FTE REDUCTION EXEMPTIONS

Mr. LIVINGSTON. What functions within USDA are being considered for exemptions or partial exemptions from proposed FTE reduction allocations? Please list these functions.

Response. I can only speak for the activities I administer, and no exemptions have been granted to those activities.

### NFC RELOCATION COSTS

Mr. LIVINGSTON. Provide for the record cost details on the USDA proposal, or on any studies/discussions to date, to possibly relocate the National Finance Center to the American Standard building/location in New Orleans. Include a breakdown that separately lists building purchase or lease costs, modification costs, and annual operations costs compared to the current building where the NFC is located.

Response. Mr. Livingston, this proposal is still in an early stage of development. We will provide you with detailed information as it becomes available.

### CURRENT NFC SPACE LEASES

Mr. LIVINGSTON. What are the conditions of the current leases the NFC has for its present location? Who are these leases with?

Response! I will provide that information for the record.

[The information follows:]

### WORKING CAPITAL FUND/NATIONAL FINANCE CENTER CURRENT BUILDING LEASE AGREEMENTS

Name/address	Capacity (sq. ft.)	Rental rate (\$/sq. ft.)	Lease expiration	Comments
TANO Building, 4277 and 4301 Poche Court West.	106,600	\$9.86	August 31, 2000	Leased through GSA from TANO Corporation. Termination of the lease requires negotiation of a buy out figure. The dollar amount is based on amount of time remaining on current lease, current rental rate, etc.
Sterling Record Center Building, 4432 Poche Court West.	39,958	3.22	October 31, 1998	Leased through GSA from Sterling Corporation; termination of the lease agreement requires negotiation of a buy out dollar figure. The dollar amount is based on amount of time remaining on current lease, current rental rate, etc.
Michoud Assembly Facility, building 350, 13800 Gentilly Road.	194,417	8.60	March 31, 1995 option to renew for another 5 years	Leased from NASA; termination of the lease agreement requires 30-day written notification.

## FUNDING FOR NFC RELOCATION COSTS

Mr. LIVINGSTON. How would USDA fund this relocation? Through a future budget request? Through increased charges to existing or new NFC cross servicing customers? Provide details.

Response. We would propose financing this project through the WCF, recovering costs from NFC users over the projected useful life of the facility and other site improvements. The amortization of these costs would provide the capital necessary to accomplish any capital maintenance or building repair.

However, we lack sufficient capital in the WCF to accommodate any relocation of the NFC. We are examining alternative financing mechanisms for this effort.

Mr. DURBIN. Thanks for joining us today. We appreciate it.

Mr. TOWNSEND. Thank you.

WARDELL C. TOWNSEND, JR.  
ASSISTANT SECRETARY FOR ADMINISTRATION

On May 12, 1993, Wardell C. Townsend, Jr., was sworn in as Assistant Secretary of Agriculture for Administration. In this position, he will be responsible for the management of USDA's personnel, financial, computerization and telecommunications, equal opportunity, procurement, small and disadvantaged business utilization, and other management and administrative activities.

Before joining USDA, Assistant Secretary Townsend served as then-U.S. Representative Mike Espy's administrative assistant from 1989 to 1993 and legislative director from 1987 to 1989.

From 1983-1987, he worked as the projects director for U.S. Representative Doug Applegate, D-Ohio, and U.S. Representative Jamie Clarke, D-N.C., with similar responsibilities in both offices.

He served as the business development manager and consultant from 1982-83 to small and disadvantaged businesses under the Cherokee Minority Business Development Center in Asheville, N.C.

From 1980-82, he was head of the Department of Community Development for Henderson County, N.C. He worked as chief development officer for the Human Resource Development Foundation in Morgantown, West Virginia, from 1979-80.

Assistant Secretary Townsend is a native of Baltimore, Maryland, holds a bachelor's degree from Western Carolina University in Cullowhee, N.C., and a master's degree from West Virginia University in Morgantown.

OFFICE OF THE SECRETARY  
AND  
DEPARTMENTAL ADMINISTRATION

Statement of Wardell C. Townsend, Jr.  
Assistant Secretary for Administration  
Before the House Subcommittee on Agriculture,  
Rural Development, Food and Drug Administration, and Related Agencies

Mr. Chairman and members of the Subcommittee, I am pleased to present the fiscal year 1995 budget request for headquarters-level and Department-wide activities. My presentation will discuss the appropriations requests for Departmental Administration, Agriculture Buildings and Facilities, including the Department's Strategic Space Plan, Advisory Committees, Hazardous Waste Management, and the Office of the Secretary. With me today to ensure thorough and complete answers to your inquiries are key members of the Department's administrative management and financial management leadership: Anthony Williams, the Department's Chief Financial Officer, Connie Gillam, the Budget Officer for Departmental Administration, and Steve Dewhurst, the Department's Budget Officer.

DEPARTMENTAL MANAGEMENT

USDA provides more services to more Americans than any other civilian Federal department. Our clientele is America. Every citizen, producer, or consumer is a recipient of USDA programs. Our services are provided daily in



every county and state by 41 agencies and over 100,000 dedicated employees. Departmental Administration serves a vital role as the Secretary's staff arm providing necessary leadership, coordination, oversight, policy, guidance and enforcement. Our services will be in particular demand as the Department moves to reorganize and streamline. The Departmental Administration and related appropriations fund staff office activities in a variety of functional areas from human resources management, civil rights enforcement, small and minority business contracting, and information resources management to the operation and maintenance of our headquarters facilities.

#### REINVENTING USDA

Much has been said about "reinventing" government. Secretary Espy stated as he entered office that no department needed reinventing more than USDA. We are committed to examining, overhauling and optimizing the Department's business practices to increase the quality of program delivery, and eliminate waste and duplication. This budget reflects our total commitment to develop and implement innovative solutions that produce superior results at the lowest possible cost.

#### SERVICE AND LEADERSHIP

Our reorganization efforts are unlike any previously done in the Department. We are in the midst of a major culture change aimed at becoming a more responsive, efficient and business-oriented team of service providers.

Our goal is to provide the leadership and services in administrative management needed to help USDA better serve the public at a lower cost. Departmental Administration is evolving to meet its new role in a reorganized USDA. To meet this service goal, we have focused on three goals:

- (1) Change the organizational culture
- (2) Support USDA reorganization
- (3) Improve the supporting infrastructure

#### ORGANIZATIONAL CULTURE

We have implemented substantial changes in organizational culture to meet our service mandates. We are creating the service team that will set the new standard for quality and efficiency through strategic planning, emphasis on establishing partnerships, increased attention to customer service, and replacement of outdated regulations with more flexible guiding principles. This team approach has been focused on supporting USDA's reorganization efforts.

#### REORGANIZATION

In addition to internal reorganization planning efforts at Headquarters, we have formed a reorganization working group of functional area experts to assist agencies in the mechanics of improving efficiency and reducing costs through realignment of their administrative resources. This is not a cosmetic facelift and a name change. We started this process in Washington by taking a

hard look at what structural changes were needed to build a Headquarters organization that reflected our mandate for reinvention. I know that there is genuine concern about our plans to streamline our field office structure in the Farm Service agencies. We know that we must maintain and enhance our current services while we reduce costs. We are committed to cutting costs associated with multiple offices in many areas which could be better and more economically served through innovative alternative means. We are committed to the creation of a "Field Office of the Future" which is supported by modern business practices and information management principles. This reorganization requires the development of an innovative and effective infrastructure.

#### INFRASTRUCTURE

In addition to changing the culture and supporting reorganization, we are also working to enhance the infrastructure which supports the Department's activities. By this we mean the automated systems, the administrative processes, the rules and guidance, and most importantly, the management of the people and processes that constitute TEAM USDA. From multi-agency integrated information systems and reviews of administrative and procurement processes to the consolidation and modernization of Washington D.C. area USDA offices, we are building the innovative support system USDA needs to reduce costs while improving program delivery effectiveness.

These are ambitious goals which we have dedicated ourselves to as Team USDA. I would like to share with you a few key accomplishments and program activities which are currently underway:

#### CIVIL RIGHTS ENFORCEMENT

Some goals simply stand out as moral imperatives. We saw a need to make significant improvements in eliminating civil rights discrimination in program delivery; but you can't really do that until the Department leads by example with its own employees. In the last year, we strengthened the civil rights enforcement arm through reorganization and streamlined the dispute resolution process. For example, we established a new Dispute Resolution Board to attempt to address both the timeliness of processing our EEO complaints caseload and to attempt to find a less formal means to address employees' complaints before formal adjudication. I can report that of the Board has satisfactorily addressed 28 of the 29 complaints referred to it. This was done at fraction of the cost or time delays associated with formal EEO complaint investigations. We will be further evaluating the Board's effectiveness as we gain more experience with it.

The Secretary has also improved opportunities for women and minority businesses to compete for USDA business and has made improvements in this area a priority. The Office of Small and Disadvantaged Business Utilization has



the responsibility to attract underrepresented vendors, monitor their success, and help the Small Business Administration 8(a) contracting community. We feel that it is far more economical to address our civil rights and diversity problems proactively with directness and innovation, than to be mired endlessly in an escalating number of discrimination complaints. The results of this culture change should be most visible in the agencies' field operations.

#### A NEED FOR TECHNOLOGICAL SOLUTIONS

If Team USDA is going to meet its mandates with fewer people and offices, advances in data sharing, information management, and telecommunications are the critical strategic catalysts for change. Our Telecommunications and IRM Strategic Plans are in place and working as guiding frameworks for progress. But more has to be done. We have been reminded of this in a string of GAO management reports, studies by OMB and GSA that go back several years. Universally all the central guidance agencies call for changes not only in the way USDA agencies conduct their business with regards to their customers, but how they report on results to the Secretary, the President, and the Congress so as to be more accountable. To meet this challenge we undertook last year a project called Info Share, which is supported and led by Departmental Administration, in partnership with the Farm Service, Rural Development and Natural Resources Agencies.

Info Share is one of the most important efforts the Department has ever undertaken. It is designed to merge, modernize, and streamline these agencies' computer information systems that deliver many of the Department's programs and activities. It is a major infrastructure improvement and a laboratory for reinvention of government.

The Info Share partners, supported and guided by Departmental Administration, are developing a business-driven family of information systems to improve program delivery to the public through business process re-engineering and systems integration. Existing field office systems are aged, incompatible, duplicative, and barely able to meet the needs of program recipients and program managers. As a multi-agency partnership, Info Share will coordinate planning, acquisition, development, and management of information systems resources to effectively and efficiently support agencies' missions, reduce the paperwork burden upon the customer, provide better program information to decisionmakers, and ultimately reduce costs. Info Share will not only provide a friendlier, more efficient environment for customers to conduct business within; it will provide those improved services at significant savings. The Administration's 1995 request for Info Share will, if enacted, lead to this partnership and savings. Already, Info Share telecommunications initiatives have generated significant savings in field offices. Telecommunications savings will be realized in other Info Share

partner agency sites as well.

This program contains a number of "Fast Track" initiatives to demonstrate tangible successes now. For example, during the past six months, the Info Share partnership implemented the Cotton Classing Project, an Agricultural Stabilization and Conservation Service/Agricultural Marketing Service data sharing project running on existing networks. This new initiative reduced the average processing time for payments from five business days to just 18 minutes. Following the success of the initial test site, this capability now exists at 200 ASCS sites. Later this year, all 900 cotton producing counties will have this capability. As a designated Reinvention Laboratory, Info Share is also piloting a state-wide telecommunications network in Kentucky, which will allow us to test the Common Access Manager (CAM), an application designed to improve information sharing across agency lines.

#### MODERNIZATION OF ADMINISTRATIVE PROCESSES

Beginning last year, we revitalized the Modernization of Administrative Processes (MAP) program. Under this program, USDA will take a systematic look at how it conducts its administrative processes and will define data requirements and systems. Key MAP initiatives this year include redesigning the Property Management and Accountability System and supporting

implementation of the Financial Information System Vision and Strategy (FISVIS). These administrative systems will be integrated with the financial systems in support of the Chief Financial Officers' Act of 1990. MAP will play a key role in coordinating the implementation of the recommendations of the Secretary's Procurement Review Task Force and the National Performance Review.

#### FACILITIES MANAGEMENT

Our 1995 budget request includes funding to begin the construction of a new office complex on land adjacent to the Agricultural Research Center in Beltsville, Maryland. This initiative serves a number of purposes. First, we will be able to collocate all USDA personnel currently in leased office space scattered around the Washington area at two modern, productivity-enhancing locations--Beltsville and the Washington, D.C. headquarters complex. Second, we will be able to design in the latest telecommunications and resource sharing systems. Third, this project will allow the Department economical "swing space" to temporarily house dislocated employees as we address serious safety and space utilization problems through renovation of the South Building without resorting to even more expensive leased urban office space. At the end of the construction program in 2003, USDA will save over \$39 million annually in leasing costs, in addition to the savings in swing space as USDA renovates the South Building.



## COLLOCATION PILOT PROJECTS

We are involved in some landmark pilot projects to harness the creativity of our employees and the strategic application of the latest information management and telecommunications technologies toward our goal of reducing staff and costs. Of particular promise are our pilot collocation projects now underway in Davis, California; Fort Collins, Colorado; and in the metropolitan Kansas City area.

The Davis project collocates over 300 employees from ASCS, FCIC, APHIS, ARS, FmHA, OIG, SCS, and OGC from six different locations into one 70,000 square foot facility. This action will provide our customers with a central facility where "one-stop servicing" will become a reality. In addition to improved efficiency, significant costs will be avoided through enhanced resource sharing. Telecommunications experts from our Fort Collins center are at work with the agencies involved to develop and implement a viable common communications 'backbone' network which will improve computer connectivity, facilitate data sharing, and provide significant life cycle savings. Savings are projected to exceed \$4 million.

Meanwhile, in Fort Collins, Colorado, USDA is planning to collocate several agencies and portions of two other Departments into a single 350,000

square foot campus which will house over 1,200 scientists and other personnel. We estimate that the life cycle savings associated with this project will exceed \$108 million. Departmental Administration will play a key role in developing and implementing telecommunications systems for this complex.

Moving eastward, we are planning the collocation of 10 agency offices scattered around the Kansas City metropolitan area into one 550,000 square foot facility housing more than 2,400 employees beginning in the year 2000. Cost savings have been estimated at \$25 million over 20 years. Once again, that facility will incorporate the latest telecommunications and computer technologies that promise even more substantial savings.

#### PROCUREMENT REFORM

Last year, the Secretary assembled a task force to review USDA's procurement practices and systems to streamline, modernize and simplify them. The Procurement Review Task Force (PRTF) reviewed current systems and made recommendations on actions needed to acquire goods and services on a "best value" basis; improve procurement process effectiveness in supporting program missions; and use USDA's procurement capacity to assure that every qualified vendor will have a fair chance to participate. The PRTF was comprised of primary sub-teams studying commodity procurement, Federal Acquisition Regulation (FAR) based procurement, and grants and agreements. Secondary sub-

teams studied cross-cutting issues including human resources, information systems, and procurement set-asides. The PRTF identified numerous areas in need of improvement and recommendations. The PRTF also estimated that "reinvented procurement" could save USDA as much as \$53 million.

#### PERSONNEL REFORM

When the Vice President presented the results of the National Performance Review last year, a forklift full of personnel manuals, including USDA personnel manuals, was the backdrop. I'm pleased to tell you that the sun is setting on that mountain of bureaucratic rules. We are changing the human resource professional from protectors of rule-based systems to facilitators of diversity and quality for our team of service providers. Our personnel community has been a leading force in rightsizing initiatives, which addresses the needs of our people as well as our organization, and in the outreach for workforce diversity through the 1890 initiative which includes the USDA/1890 National Scholars Program, which is the largest agricultural scholarship program in the Nation's history.

Secretary Espy and Team USDA are committed to changing fundamentally the way the Department serves America. I am proud of the progress made to date, and ask your help to maintain and intensify our program of reinvention.

## DEPARTMENTAL ADMINISTRATION BUDGET REQUEST

The fiscal year 1995 Departmental Administration budget request totals \$118,307,000, an increase of \$63,496,000 over the fiscal year 1994 level of \$54,811,000. Of this increase, \$61,490,000 is for our multiagency Info Share project. The net program increase for Departmental Administration staff offices after increases for pay costs and inflation, and decreases for administrative efficiencies, totals \$1,703,000.

Program increases include \$400,000 to upgrade internal automation in the Office of Personnel. Virtually all OP computer workstations are obsolete and incompatible with other information systems in the Department. A lack of capacity and connectivity prevents the collection, analysis, and sharing of personnel program information by OP personnel with USDA agencies. This information systems investment is urgently needed as the Department moves to reorganize and reduce its employment.

Over the years, the Office of Operations has assumed many new responsibilities without the resources required for successful accomplishment. Over the past year, the Secretary's Procurement Review Task Force conducted a thorough study of USDA's procurement practices and developed numerous recommendations to change procurement procedures to achieve best value,



timeliness, and diversity in sources. OO requests an increase of \$403,000 and 2 staff years to strengthen OO's policy, oversight, and guidance to USDA agencies for procurement and property management. Reinventing procurement activities and property management throughout the Department are vital needs that will result in better and more economical decisions in these highly vulnerable areas.

USDA is committed to treating program recipients with complete fairness, and the Department will be a proactive force aimed at eliminating discrimination in all forms. Unfortunately, we lack sufficient resources to ensure that agency equal rights policies are enforced, and too often discrimination complaints go unresolved over many years. The Office of Civil Rights Enforcement requests \$300,000 and 4 staff years to direct, coordinate, and monitor civil rights compliance in the Department. Fairness in program delivery is important to all of us, and additional emphasis on on-site reviews and expansion of the use of alternative vehicles of complaint resolution are key parts of the Secretary's agenda.

The Department has been criticized for its outdated and incompatible information systems, particularly in the farm service field offices. Last year, we began Info Share, a cooperative effort between the farm service,

natural resources, and rural development agencies and Departmental Administration Staff Offices to improve information sharing and reduce system life cycle costs. We have brought the Info Share budget into the Departmental Administration budget for fiscal year 1995 to provide maximum coordination and support of this important project. This request centralizes funds for this major, system-wide development and procurement project, with only a small program management staff. Currently, Info Share supports over 75 initiatives, including 12 Fast Track projects, some of which I mentioned earlier. One key aspect of this initiative is its inherent flexibility toward reorganization activities throughout the department. We are convinced that this thorough, long term project is the key to sharing information resources and creating a program delivery system that works better and costs less. We anticipate this consolidated effort will result in a savings of 50% of the estimated costs of individual agency system replacement projects. In fiscal years 1993 and 1994, the program was funded through transfers from participating program agencies. Funding through these-transfers was approximately \$28.5 million for fiscal year 1994. We request a direct appropriation of \$90 million to fund this program which is an increase of about \$61.5 million from the current program level.

## AGRICULTURE BUILDINGS AND FACILITIES

The USDA staff is housed in a four building complex in downtown Washington, D.C. and in about 20 leased office sites within the metropolitan Washington area.

A USDA Strategic Space Plan has been proposed to collocate agency personnel in safe and efficient office space. The Plan includes two major construction projects. The first is the construction of a new office building on government-owned land in Beltsville, Maryland. This building will serve several purposes by providing swing space for personnel displaced for modernization of the Headquarters South Building, providing space to consolidate agencies, and reducing the need for leased commercial space. In fiscal year 1995, \$20,587,000 has been requested to initiate this project.

The Agriculture South Building presently houses 6,500 employees. It was begun in the late 1920's and completed in 1936. Although central heating and air conditioning were installed in the 1960's, and continual repairs and replacements have been made to parts of the electrical and mechanical systems, much of the original plumbing and drainage systems remain. The South Building is now in urgent need of major infrastructure repairs, including total replacement of outdated mechanical, electrical and telecommunications cabling,

and elimination of safety hazards, including asbestos and air quality problems. Also, it needs to be made more accessible to the disabled members of USDA's workforce. This request includes \$9,235,000 to fund the design of a plan for the modernization of the Headquarters South Building. The renovation will be implemented in seven phases over eight years. Upon completion in fiscal year 2003, this project will increase the South Building's capacity by 1,800 to over 8,000 employees, when complete in 2003, the plan is estimated to save over \$39 million annually in leasing costs. The South Building renovations will result in a safer, more efficient environment, and significantly reduce ongoing maintenance and energy costs. Simply stated, the choice is to deal with the Health, Safety, and maintenance problems of the south Building in a patchwork, piecemeal way, or to handle them in an efficient and coordinated manner that will, with the Beltsville project, save a considerable amount of money, and make the Department's daily headquarters operations much more efficient.

#### ADVISORY COMMITTEES

The Fiscal Year 1993 Appropriations Act established a single appropriation for USDA Advisory Committees, other than those funded from the Forest Service appropriation or from user fees. The fiscal year 1995 USDA Advisory Committee request of \$977,000 is a net increase of \$37,000 from the



current fiscal year 1994 level of \$940,000. This increase is needed for anticipated committee activities in assisting and advising the Secretary in the restructuring of programs and other reinvention activities.

#### HAZARDOUS WASTE MANAGEMENT

The safe disposal of hazardous waste is a challenge which we must meet. We are now paying the cost of corrective actions associated with environmental problems caused by past disposal methods. The Department requests \$26,000,000 for the Hazardous Waste Management program for fiscal year 1995. This funding level will allow agencies to continue to clean up the most critical USDA sites with problems caused by past disposal practices. This increase is needed to comply with the statutory requirements of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA). Funding from this appropriation is allocated to agencies based on priority needs and are made available until expended.

#### WORKING CAPITAL FUND

Mr. Chairman, I also would like to provide a brief overview of activities in our Working Capital Fund and our service plans for Fiscal Year 1995. Our Chief Financial Officer, Anthony Williams, will cover financial

aspects of WCF operations in more detail with the Committee.

The Working Capital Fund finances a number of centralized administrative services under Departmental Administration staff offices -- Information Resources Management, Operations, and Personnel. In addition, the WCF finances services provided by a number of activity centers outside of Departmental Administration -- the National Finance Center, Financial Information System Vision and Strategy project, Video and Teleconferencing, Design Center, and the Office of the Executive Secretariat. Most WCF activities are located here in Washington, but there is a significant field operation as well. The National Finance Center in New Orleans, Louisiana; the National Computer Center/Mainframe offices in Kansas City, Missouri; the National Computer Center/Network Management Services and Applications Design offices in Fort Collins, Colorado; and the Consolidated Forms and Publications Distribution Center in Landover, Maryland, which includes the Central Supply Stores, Central Supply Forms, and Central Excess Property Operation, represent the field operations activity centers for the WCF.

The WCF has functioned as an effective example of the manner in which the cost reduction and administrative efficiency goals reflected in the President's program can be met. For example, the 10 activities that provide supply and other central administrative services estimate recurring costs of \$20.1 million in Fiscal Year 1995. This is a net decrease of \$848,000 from

Fiscal Year 1994. Capitalized equipment purchases for these activities will amount to \$948,000 in Fiscal Year 1995, a modest increase of \$49,000 over the Fiscal Year 1994 level.

The National Finance Center, which provides services from over 20 separate financial and administrative systems, will continue to provide quality service to its USDA and non-USDA users throughout the range of services it operates. The NFC has earned a well-deserved reputation for quality service in its payroll/personnel, accounting, travel, billing and collection, and other systems, as well as its record keeping and loan operations support of the Thrift Savings Plan. We will build upon these successes, and we expect that the NFC will continue to be a major player in the reinvention of administrative systems as we move through the 1990's.

ADP services operated by the Office of Information Resources Management estimate recurring costs at \$47.5 million, which is an increase of only \$2.8 million -- 6 percent -- over Fiscal Year 1994 costs. Capital equipment purchases would increase by \$209,000, only 2.6 percent for a total of \$8.2 million. This is quite an accomplishment when service customers are in the midst of "rightsizing" their operations and making greater use of centrally managed activities, placing greater demands on WCF-supported activities such as ADP services.

In telecommunications, the Local Area Network center managed by the Office of Information Resources Management will continue efforts to upgrade the physical network to meet increasing demand for these services. As we move toward "information superhighways," it will be important to maintain the network infrastructure with state-of-the-art assets so that agencies can take advantage of the operational and economic efficiencies that will result.

Mr. Chairman, I believe that the Departmental Administration Working Capital Fund activities serve as excellent examples of how responsive, efficient central services get a quality job done at the lowest cost to agencies. USDA and non-USDA agencies alike consistently find that WCF-funded activities eliminate the redundant waste associated with "going it alone".

#### OFFICE OF THE SECRETARY

The fiscal year 1995 budget proposes to merge several appropriations assigned to the Secretary, Deputy Secretary, two Under and seven Assistant Secretaries and the CFO into one account. Currently, each has an individual appropriation which requires a large amount of duplicative effort to maintain. In addition, USDA is changing to meet its mandate starting here at Headquarters. The Secretary has discussed his plan to reorganize the Department with the Congress. A single appropriation will help facilitate the



implementation of a reorganization, improve controls and reduce fiscal management overhead costs. Merging these appropriations can be accomplished without diminishing the level of detailed information necessary for continued oversight.

This concludes my prepared remarks. I would be happy to answer any questions that you or the other members of the Committee might have.

ANTHONY A. WILLIAMS  
CHIEF FINANCIAL OFFICER  
U.S. DEPARTMENT OF AGRICULTURE

Anthony A. Williams was nominated by President Clinton, confirmed by the Senate, and sworn-in by Secretary Mike Espy as the Chief Financial Officer for the Department of Agriculture in November 1993.

As CFO, Mr. Williams manages the financial planning and operations of an enterprise with an annual budget of more than \$67 billion. He leads the Department's planning and evaluation of budget and administrative systems and processes and acts as a principal adviser to the Secretary on management issues. Issues affecting 42 agencies and staff offices, approximately 14,000 U.S. field offices, and operations in 80 foreign countries are reviewed by Mr. Williams prior to action by the Secretary. In fact, USDA is the fourth largest Federal agency with approximately 110,000 employees and collects in excess of \$1.9 billion from non-Federal sources.

Prior to his appointment at USDA, Mr. Williams was the general deputy and chief operating officer for the state of Connecticut's Comptroller -- its elected chief financial officer-- from 1991-1993. He was designated a Kellogg Fellow under the auspices of the Kellogg Foundation National Fellowship for three years (1993-1996); he also was an Adjunct Professor of Public Affairs at Columbia University, New York, N.Y.

Prior to his service in Connecticut, Mr. Williams was the Executive Director of the Community Development Agency, St. Louis, Mo. (1989-1991). He assumed management of St. Louis' overall development activities after a year as the Assistant Director of the Boston Redevelopment Authority, Boston, Ma. (1988-1989). Mr. Williams has worked as a law clerk for U.S. District Judge David S. Nelson, Boston, Ma. (1987-1988) as a member of the New Haven Connecticut Board of Aldermen (in various capacities as President Pro Tempore, Chairperson, and member)(1980-1983); and as Director of Communications for the Speaker of the House and Connecticut Assembly Democrats (1983).

Born in Los Angeles, Ca., he graduated magna cum laude in 1982 from Yale College with a B.A. degree in political science. Mr. Williams received a Degree of J.D. from Harvard Law School, and a Master's Degree of Public Policy -- specializing in management -- from Harvard's Kennedy School of Government in 1987.

Mr. Williams is married to Diana Lynn Simmons and has one daughter.

## CHIEF FINANCIAL OFFICER

Statement of Anthony A. Williams, Chief Financial Officer

Before the Subcommittee on Agriculture, Rural Development, Food and Drug  
Administration, and Related Agencies

Mr. Chairman and Members of the Subcommittee: I am honored to be here today as the Department of Agriculture's first Presidentially appointed, Senate-confirmed Chief Financial Officer. With me today is the Department's Deputy Chief Financial Officer, Irwin T. David, and Larry Wilson, the Director of the Department's Office of Finance and Management.

This morning I would like to share with you our key goals for financial management in USDA, discuss briefly the additional appropriation requests for the Office of the CFO, and, talk about the Department's Working Capital Fund, with emphasis on the National Finance Center.

## FINANCIAL MANAGEMENT

As you know, USDA is the fourth largest Federal Agency and is larger than all but three major corporations - General Motors, Ford, and Exxon. With annual expenses of over \$80 billion and the responsibility for nearly \$150 billion of assets, USDA represents a major financial entity in the Federal Government.

However, numbers don't tell the entire story. USDA provides critical services that touch the lives of all Americans from rural and farm communities to cities and suburbs. USDA ensures standards of quality in the daily food supply through inspection and grading services and enhances our environment by protecting our soil, forests, wetlands, and water. We improve and maintain farm income and develop and expand markets abroad for agricultural products. And, we develop new knowledge and technology that will ensure an abundance of high quality commodities and products for all Americans. It is not an exaggeration to say that the entire country depends on USDA to be as well-run and cost efficient as a Fortune 500 company.

At USDA, as in the private sector, financial management is an integral part of management and the cornerstone to effective program delivery. One of my first activities as CFO was the development of a strategic vision and plan for financial management at USDA. The plan we have developed supports and complements the Secretary's proposal to reorganize the Department around six basic mission areas. The mission of the CFO Organization is to provide financial management leadership and service to support quality program delivery at USDA. As such, our Organization will provide policy, guidance, tools and oversight for program managers, helping them to better manage resources.



The concept of working together as partners with USDA mission areas and operating agencies is central to the CFO organization. To support our mission and the associated vision and guiding principles, we have defined eight major goals.

1. We must provide program managers with reliable financial information, advice, and counsel to support informed decision making. It is critical that we communicate with and sensitize program managers to the value and importance of better financial information and management. Also, we must streamline our financial processes and procedures in accordance with the National Performance Review.
2. We must ensure that strong controls are in place to safeguard our assets of nearly \$150 billion and to manage our liabilities, revenues, and expenditures. It is critical that we aggressively institute procedures to maximize cash flow and eliminate waste, fraud, and abuse. We are committed to addressing the several items on the OMB High-Risk List and the requirements set forth in the Federal Managers Financial Integrity Act (FMFIA).
3. We must ensure accountability for financial management performance throughout USDA. To accomplish this goal, the CFO Organization will strive to receive unqualified opinions on USDA's financial statements and to eliminate the weaknesses in the controls identified by the

Inspector General. Furthermore, we intend to implement a number of CFO Act requirements which have never been undertaken at USDA, such as, reviewing biannually USDA's fees, royalties, and rents; monitoring the budget; and overseeing the financial management and mixed information systems.

4. We must lead the effort to implement strategic planning and performance measures in conformance with the Government Performance and Results Act (GPRA). By focusing on results, not process, we can truly reinvent Federal management, including financial management. In addition, we are taking the lead in Secretary Espy's key initiatives, such as our Loan Resolution Task Force and the Procurement Review Task Force. The Loan Resolution Task Force aggressively addresses loan delinquencies in USDA programs. The Procurement Review Task Force has just completed a comprehensive analysis of USDA acquisition programs and has set forth recommendations on how to streamline the procurement process.
5. We must build a productive, quality-oriented financial management workforce, which is our greatest resource. We respect and value a highly skilled, enthusiastic, motivated, and diverse workforce. We encourage innovation and are committed to the professional development for all of our employees.

6. We must establish a strong, results-oriented, highly effective, and professional financial community within USDA. We are working with all USDA financial managers to develop a Department-wide financial management strategic vision and plan that will support program management throughout the Department. In addition, we are establishing partnerships with other government-wide agencies to build a strong financial management community.

We must develop and maintain integrated information systems that are responsive to user and customer needs. Towards this end, we are developing and implementing a financial information system that will provide timely, accurate, and cost-effective financial information for the entire Department. We call this project the Financial Information Systems Vision and Strategy (FISVIS) project. I am very excited to report that we recently reached our first milestone: we completed the financial management information architecture and data standards. These standards will ensure that we have consistency of process and comparability of financial information between agencies and throughout the Department. In 1996, the foundational system will be in place which will provide timely, consistent, reliable financial information, including cost of service information, to the Department's managers as well as to oversight bodies such as this Committee. In addition, we are

reinventing many of our systems at the National Finance Center, which I will address in greater detail later in my remarks.

8. We are committed to providing high quality service to our direct customers. And, we want to assist these direct customers in providing high quality service to their customers -- the farmers, rural residents, and citizens of the United States.

As you may expect, the strategic planning process has highlighted the critical need for improved financial management in USDA. Fundamental changes in USDA's financial management are needed to strengthen our ability to achieve optimum program results at the lowest cost. However, to accomplish these objectives, we must devote more resources to financial management.

#### FY 1995 BUDGET REQUEST

To begin to meet our financial management needs in the areas we have identified, we are requesting an increase of \$814,000 and eleven staff years for the Office of Finance and Management. These additional resources, together with some modest reorganization, will be directed toward:

##### Internal Controls

- resolving material weaknesses identified by the Inspector General and addressing internal control issues and processes;
- assisting agencies in developing performance measures under the GPRA and the CFO Act;



Audit and Systems Improvement

- developing annual consolidated financial statements that can receive an unqualified opinion from the Office of the Inspector General;
- strengthening asset management capabilities;
- developing and implementing cost accounting systems to assist in performance measurement on a pilot basis.

Policy, Oversight, and Planning

- maintaining the financial information and standards for USDA and preparing for FISVIS implementation;
- establishing a pilot project to review fees, royalties, rents, and other charges for service at USDA;
- improving customer service.

The additional personnel resources will enable us to support USDA's organization and operations and make significant progress in fulfilling our responsibilities under the CFO Act.

**WORKING CAPITAL FUND**

Before closing, we would like to briefly address the Department's Working Capital Fund and add to the comments made by my colleague, Assistant Secretary Townsend.

As you know, the Working Capital Fund ("WCF") operates as a financing mechanism for administrative service centers that meet both USDA and other agencies' service needs. The WCF is a revolving fund through which centrally managed service centers provide services to user agencies. These user agencies, in turn, reimburse these service centers for the cost of services provided. Also, as you know, capital resources; accumulated as a result of appropriations made in prior years, allow USDA to finance the acquisition of large-scale capital assets for which the costs are recovered over the assets useful life through depreciation charges.

There are several advantages to the WCF's financing mechanism. First, it allows users of WCF-supported services to take advantage of the economies of scale that come with centralized management. Second, services provided through the WCF are more affordable to smaller USDA agencies. Third, the WCF recovers the cost of capital acquisitions over their useful life making the acquisition of large scale assets, such as mainframe computers, more economically manageable.

In Fiscal Year 1995, the Fund will support twenty-two activities in seven staff offices. The current estimate for Fiscal 1995 operating costs is approximately \$190 million, with planned capital acquisitions of an additional \$21 million. This total operating cost figure reflects the growth in the volume of goods and services financed through the Fund over the past several

years. Despite this increase in total costs, we have achieved considerable efficiencies enabling us to reduce unit costs of service over the same time period.

The National Finance Center is USDA's largest Fund-supported activity. In addition to providing services to USDA, the National Finance Center provides many services to other Federal Departments and Agencies with the payroll/personnel system representing the largest so called cross-service system. This payroll/personnel system exemplifies what I mean when I talk about declining unit cost. Let me explain -- the annual cost for payrolling a single individual was reduced from \$111.74 in 1989 to \$101.63 in 1992, a nine percent decrease. By Fiscal Year 1995, we expect to bring the cost of payrolling a single individual to less than \$100 per employee. These efficiencies, which we achieve in this and other areas, as measured by the cost users pay for a unit of service, are a clear indicator of the effectiveness of the Fund.

We believe that more can be done to improve the efficiency of the National Finance Center. Thus, in the past year, we had an outside contractor perform a complete, intensive review of the operations of the National Finance Center. We are using the results to develop a five-year strategic plan for the National Finance Center to compliment our Department-wide financial management strategic vision and plan. In implementing the results of the

study, we will enhance the National Finance Center's operational efficiency. In addition, we have been addressing many of the issues which led to the moratorium on additional cross-servicing by the National Finance Center. We are hoping to resume such cross-servicing in the next six to eighteen months. With the Administration's emphasis on enterprise operations, competition, and cross-servicing among and between Federal agencies, we believe that the National Finance Center soon will be well-postured to fulfill those objectives.

Thank you for inviting me to testify today. We are pleased to answer any questions that you may have.



## DEPARTMENTAL ADMINISTRATION

Purpose Statement

Departmental Administration is comprised of the Staff Offices that report to the Assistant Secretary for Administration. These Offices provide staff support to the top policy officials of the Department and overall direction and coordination to the work of the Department. The Assistant Secretary for Administration has the responsibility for administering the following programs under authority contained in 7 U.S.C. 2202:

Departmental Administration. This appropriation funds the policy development and administrative operational activities associated with Department wide programs for human resource management, financial management, management improvement, occupational safety and health management, real and personal property management, procurement, contracting, motor vehicle and aircraft management, supply management, ADP and telecommunications management, civil rights, equal opportunity, special emphasis, small and disadvantaged business opportunities, emergency preparedness, the regulatory hearings and administrative proceedings conducted by the Administrative Law Judges and the Judicial Officer, and the Info Share program, which is a customer-oriented method for USDA agencies to test, evaluate and acquire new technologies which will emphasize one-stop customer service and integrated data sharing.

Agriculture Buildings and Facilities. This account finances the appropriated portion of payments to the General Services Administration for rental of leased space and related services. Funding is not provided for payments to GSA made by the Forest Service, since the Forest Service is funded in the Interior and Related Agencies Appropriations Act.

This account also finances operations, repair, improvement, and maintenance activities at the USDA Headquarters Complex. Since 1989, when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the Headquarters Complex, which encompasses 1.41 acres of ground and 4 buildings containing approximately 3 million square feet of space occupied by approximately 8,000 employees.

Beginning in fiscal year 1995, this account also will finance the development of a strategic space plan to improve the delivery of USDA programs to the American people. To aid in streamlining USDA and improving the operation and effectiveness of USDA programs, a strategy for efficient re-allocation of space to house the restructured Headquarters agencies in modern, safe facilities has been proposed. Key elements of this plan include the construction of an office building on USDA-owned land in Beltsville, Maryland and the renovation of the Agriculture South Building.

Not all administrative Staff Office activities are financed from direct appropriations. The Staff Offices also provide central services that are financed through the Department's Working Capital Fund (7 U.S.C. 2235). A detailed description of these activities is provided in the Purpose Statement of the Working Capital Fund.

Reimbursable Activities. Under the Economy Act, 31 U.S.C. 686, the Staff Offices also are reimbursed for services provided to other USDA and other Federal agencies. The following activities are financed through these reimbursements: travel and printing for the Administrative Law Judges, miscellaneous personnel details, selected short-term activities, and administrative and operational support to Working Capital Fund entities.

Geographic Location. The majority of the employees in the Staff Offices are located in Washington, D.C. Central services financed through the Working Capital Fund are provided by the National Finance Center located in New Orleans, Louisiana and by the Department's computer centers located in Kansas City, Missouri and Fort Collins, Colorado, and by other administrative service units located in the Washington Metropolitan Area.

As of September 30, 1993, there were 2,494 employees, of which 2,406 were full-time and 88 were other than full-time permanent employees in the Staff Offices included under Departmental Administration. These employees were assigned as follows:

<u>Location</u>	<u>Full-time permanent</u>	<u>Other</u>	<u>Total</u>
Washington, D.C.	744	49	793
Field units	<u>1,662</u>	<u>39</u>	<u>1,701</u>
Total	2,406	88	2,494

## DEPARTMENTAL ADMINISTRATION

## Available Funds and Staff-Years

1993 and Estimated 1994 and 1995

Item	1993 Actual		1994 Estimated		1995 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriations:						
Departmental Administration	36,938,739	390	54,811,000	416	118,307,000	430
Ag. Buildings & Facilities . . .	75,632,916	86	135,148,993	87	138,803,000	84
Total, Direct . . . . .	112,571,655	476	189,959,993	503	257,110,000	514
Reimbursements to Appropriations:						
Departmental Administration						
USDA Agencies:						
FmHA ADP . . . . .	107,340	--	120,000	--	123,000	--
IRM Services . . . . .	20,554	--	--	--	--	--
EEO Investigations . . . . .	1,191,827	--	2,800,000	--	2,900,000	--
Interpreter Service . . . . .	36,648	--	38,000	--	39,000	--
SES Development . . . . .	971	--	--	--	--	--
Foreign Agricultural Service .	120,000	--	123,000	--	126,000	--
Data Management . . . . .	220,000	--	--	--	--	--
TARGET Center . . . . .	287,256	4	377,000	4	387,000	4
Office of Admin. Law Judges . .	35,564	--	53,000	--	54,000	--
Misc. Details . . . . .	56,023	--	--	--	--	--
Management Support						
Services Provided to WCF Activities . . . . .	4,822,511	71	5,046,000	71	5,223,000	71
Subtotal USDA Agencies	6,898,694	75	8,557,000	75	8,852,000	75
Other Federal Agencies						
Farm Credit Assistance Bd . .	12,000	--	--	--	--	--
National Performance Review	2,953	--	--	--	--	--
Subtotal Other Federal . . . .	14,953	--	--	--	--	--
Total Deptl Administration . . .	6,913,647	75	8,557,000	75	8,852,000	75
Ag. Building & Facilities:						
Security Services . . . . .	1,722,224	--	2,400,000	--	2,500,000	--
Other Building Services . . . .	737,343	--	950,000	--	1,000,000	--
Subtotal, Ag. Bldg. & Facil. . . .	2,459,567	--	3,350,000	--	3,500,000	--
Total, Reimbursements . . . . .	9,373,214	75	11,907,000	75	12,352,000	75
Working Capital Fund:						
Supply and Other						
Central Services . . . . .	19,057,000	206	20,959,000	213	20,111,000	207
OFM Finance Center . . . . .	106,498,000	1,535	117,061,000	1,506	117,478,000	1,451
ADP Services . . . . .	40,969,000	202	44,612,000	215	47,445,000	214
Purchase of Equipment . . . . .	11,473,000	--	20,124,000	--	20,545,000	--
Subtotal, Working Capital Fund	177,997,000	1,943	202,756,000	1,934	205,579,000	1,872
Grand Total, Departmental Administration . . . . .	299,941,869	2,494	404,622,993	2,512	475,041,000	2,461

## DEPARTMENTAL ADMINISTRATION

Permanent Positions by Grade and Staff-Year Summary

1993 and Estimated 1994 and 1995

Grade	1993			1994			1995		
	HDQTRS	FIELD	TOTAL	HDQTRS	FIELD	TOTAL	HDQTRS	FIELD	TOTAL
ES-6. . . . .	4	--	4	4	--	4	4	--	4
ES-5. . . . .	4	2	6	3	2	5	4	2	6
ES-4. . . . .	--	--	--	1	--	1	1	--	1
ES-3. . . . .	--	--	--	--	1	1	2	1	3
ES-2. . . . .	1	1	2	2	1	3	1	1	2
ES-1. . . . .	2	5	7	2	5	7	2	5	7
AL-3. . . . .	4	--	4	5	--	5	5	--	5
AL-2. . . . .	1	--	1	1	--	1	1	--	1
SL-2. . . . .	--	--	--	1	--	1	1	--	1
SL-1. . . . .	1	--	1	1	--	1	1	--	1
GS/GM-15. . . .	44	12	56	42	16	58	40	16	56
GS/GM-14. . . .	131	56	187	125	61	186	119	61	180
GS/GM-13. . . .	135	117	252	131	124	255	141	117	258
GS-12. . . . .	70	251	321	65	256	321	68	247	315
GS-11. . . . .	64	235	299	53	235	288	47	227	274
GS-10. . . . .	4	12	16	2	12	14	2	12	14
GS-9. . . . .	40	126	166	38	126	164	38	123	161
GS-8. . . . .	8	37	45	11	37	48	11	37	48
GS-7. . . . .	88	168	256	89	167	256	89	164	253
GS-6. . . . .	34	165	199	34	165	199	35	160	195
GS-5. . . . .	32	283	315	37	281	318	37	270	307
GS-4. . . . .	47	100	147	54	103	157	54	98	152
GS-3. . . . .	20	86	106	20	87	107	21	84	105
GS-2. . . . .	11	3	14	11	3	14	11	3	14
GS-1. . . . .	5	--	5	6	--	6	6	--	6
Other Graded Positions . . . .	63	--	63	68	--	68	67	--	67
Ungraded Positions . . . .	--	24	24	--	24	24	--	24	24
Total Permanent Positions . . . .	813	1,683	2,496	806	1,706	2,512	809	1,652	2,461
Unfilled Positions end-of-year . .	-25	--	-25	--	--	--	--	--	--
Total Permanent Employment end-of-year . .	788	1,683	2,471	806	1,706	2,512	809	1,652	2,461
Staff-Year Ceiling . . . . .	785	1,709	2,494	806	1,706	2,512	809	1,652	2,461

CLASSIFICATION BY OBJECTS  
1993 and Estimated 1994 and 1995

Personnel Compensation:		<u>1993</u>	<u>1994</u>	<u>1995</u>
Headquarters . . . . .		\$21,488,088	\$24,490,000	\$25,468,000
11	Total personnel compensation . . . . .	18,643,142	20,848,000	21,661,000
12	Personnel benefits . . . . .	2,837,924	3,633,000	3,794,000
13	Benefits for former personnel . . . . .	7,022	9,000	13,000
Total pers. comp. & benefits		<u>21,488,088</u>	<u>24,490,000</u>	<u>25,468,000</u>

Other Objects:

21	Travel . . . . .	517,594	2,392,000	1,843,000
22	Transportation of things . . . . .	7,938	16,000	16,000
23.2	Rental payments to others . . . . .	9,310	90,000	30,000
23.3	Communications, utilities and miscellaneous charges . . . . .	805,963	2,002,000	26,464,000
24	Printing and reproduction . . . . .	341,821	214,000	218,000
25.1	Consulting services . . . . .	3,494,688	10,456,000	9,428,000
25.2	Other services . . . . .	4,817,562	3,518,000	27,423,000
25.3	Purchase of goods and services from other government accounts . . . . .	1,152,403	--	--
25.5	Research and development contracts . . . . .	1,257	--	--
26	Supplies and materials . . . . .	426,172	384,000	386,000
31	Equipment . . . . .	3,183,326	11,249,000	27,031,000
32	Land and Structures . . . . .	436,854	--	--
Total other objects . . . . .		<u>15,194,888</u>	<u>30,321,000</u>	<u>92,839,000</u>
Total direct obligations . . . . .		<u>36,682,976</u>	<u>54,811,000</u>	<u>118,307,000</u>

Position Data:

Average Salary, ES positions . . . . .	\$113,300	\$116,304	\$118,041
Average Salary, GM/GS positions . . . . .	\$48,909	\$53,735	\$54,594
Average Grade, GM/GS positions . . . . .	13.2	13.3	13.2



## DEPARTMENTAL ADMINISTRATION

The estimates include appropriation language for this item as follows (new language underscored, deleted matter enclosed in brackets):

Departmental Administration:

- 1 For Finance and Management, \$5,280,000, for Personnel, [Finance and Management,]
  - 2 Operations, Information Resources Management, [Advocacy and Enterprise,] Civil Rights Enforcement, Small and Disadvantaged Business Utilization, Administrative Law Judges and Judicial Officer, and Emergency Programs, [\$26,301,000] \$23,027,000, making a total of \$28,307,000 for Departmental Administration to provide for necessary expenses for management support services to offices of the Department [of Agriculture] and for general administration and emergency preparedness of the Department [of Agriculture], repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department [of Agriculture], including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed \$10,000 is for employment under 5 U.S.C. 3109: Provided, That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551-558.
  - 3 In addition, for necessary expenses of the Department to implement a method of testing, evaluating and acquiring new automation and telecommunications technologies, \$90,000,000, to remain available until expended, which may be transferred to any agency of the Department for its use in the testing, evaluation, or acquisition of new automation and telecommunication technologies.
- 1 The first change proposes to establish the Office of Finance and Management as a separate budget activity to reflect that this activity reports to the Chief Financial Officer.
  - 2 The second change recognizes the creation of the Office of Small and Disadvantaged Business Utilization and the Office of Civil Rights Enforcement and abolishment of the Office of Advocacy and Enterprise.
  - 3 The third change establishes a new budget activity for the Info Share Program. Info Share is a cooperative effort between the farm service, rural development and natural resources agencies (ASCS, SCS, FmHA/RDA, ES, and FCIC) and Departmental staff offices. By sharing technologies and strategies under Info Share, USDA agencies will be able to take advantage of advancing technologies and modern business processes.

## DEPARTMENTAL ADMINISTRATION

Appropriations Act, 1994 . . . . .	\$26,301,000
Budget Estimate, 1995 . . . . .	<u>118,307,000</u>
Increase in Appropriation . . . . .	<u>+92,006,000</u>

## Adjustments in 1994:

Appropriations Act, 1994 . . . . .	\$26,301,000	
Transfers from USDA agencies 1/ . . . . .	<u>+28,510,000</u>	
Adjusted base for 1994 . . . . .		54,811,000
Budget Estimate, 1995 . . . . .		<u>118,307,000</u>
Increase over adjusted 1994 . . . . .		<u>+63,496,000</u>

1/ Reflects funds from ASCS (\$9,281,000), FmHA (\$10,017,000), SCS (\$9,112,000), and FCIC (\$100,000) for Info Share in FY 1994.

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

<u>Item of Change</u>	<u>1994 Estimated</u>	<u>Pay Cost</u>	<u>Other Changes</u>	<u>1995 Estimated</u>
Personnel . . . . .	\$5,554,000	+\$50,000	+\$384,000	5,988,000
Finance and Management . . . . .	4,466,000	+46,000	+768,000	5,280,000
Operations . . . . .	3,239,000	+31,000	+410,000	3,680,000
Information Resources Management . . . . .	6,145,000	+51,000	-163,000	6,033,000
Civil Rights Enforcement . . . . .	4,424,000	+58,000	+346,000	4,828,000
Small and Disadvantaged Business Utilization . . . . .	613,000	+7,000	--	620,000
Administrative Law Judges and Judicial Officer . . . . .	1,611,000	+15,000	--	1,626,000
Emergency Programs . . . . .	249,000	+3,000	--	252,000
Subtotal, Staff Offices . . . . .	26,301,000	261,000	1,745,000	28,307,000
Info Share . . . . .	28,510,000	--	+61,490,000	90,000,000
Total Available . . . . .	<u>54,811,000</u>	<u>261,000</u>	<u>+63,235,000</u>	<u>118,307,000</u>

**PROJECT STATEMENT**  
(On basis of adjusted appropriation)

Item of Change	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
<b>1. Departmental Staff Offices</b>							
Personnel . . . . .	\$5,429,460	99	\$5,554,000	94	+\$434,000	\$5,988,000	94
Finance and Management . . . . .	4,400,657	64	4,466,000	76	+814,000	5,280,000	87
Operations . . . . .	3,269,767	55	3,239,000	54	+441,000	3,680,000	56
Information Resources . . . . .	6,018,733	71	6,145,000	74	-112,000	6,033,000	71
Civil Rights Enforcement . . . . .	4,161,127	63	4,424,000	71	+404,000	4,828,000	75
Small & Disadvantaged Business Utilization . . . . .	600,000	9	613,000	9	+7,000	620,000	9
Administrative Law Judges & Judicial Officer . . . . .	1,420,743	18	1,611,000	21	+15,000	1,626,000	21
Emergency Programs . . . . .	241,750	4	249,000	4	+3,000	252,000	4
Subtotal Offices	25,542,237	383	26,301,000	403	+2,006,000(1)	28,307,000	417
<b>2. Info Share</b>	11,140,739	7	28,510,000	13	+61,490,000(2)	90,000,000	13
Total DA . . . . .	36,682,976	390	54,811,000	416	63,496,000	118,307,000	430
Unobligated balance . . . . .	255,763	--	--	--	--	--	--
Total Available or Estimate: . . . . .	36,938,739	390	54,811,000	416	63,496,000	118,307,000	430
Transfers from:							
ASCS . . . . .	-3,260,620	-1	-9,281,000	-4			
FmHA/RDA . . . . .	-5,595,386	-2	-10,017,000	-4			
SCS . . . . .	-827,733	-2	-9,112,000	-3			
FCIC . . . . .	-1,334,000	-1	-100,000	-2			
ES . . . . .	-123,000	-1	--	--			
Total Appropriation	25,798,000	383	26,301,000	403			

**EXPLANATION OF PROGRAM**

This appropriation provides for the following activities:

**Personnel** - This office provides leadership, coordination and monitoring of the personnel management program in the Department and promulgates Departmental policies and procedures relating to all personnel functions. The Office of Personnel provides liaison with the Office of Personnel Management and sponsors innovations and change in personnel management. Operational services are provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, Office of Budget and Program Analysis, and the Departmental Administration Staff Offices. Direction is provided to the Department's integrated payroll/personnel system that is utilized by a cross-section of Federal agencies.

**Finance and Management** - This office provides Departmental leadership in developing and evaluating programs in finance, accounting, travel, management control, Federal assistance, management and productivity improvement, metrication, audit follow-up and final action and occupational safety and

health. The Director serves as the Department's management improvement officer and comptroller of the Working Capital Fund. OFM provides key staff support to the Department's Chief Financial Officer in implementing the CFO Act of 1990. Finance and Management also provides budget, accounting and fiscal operational services to the Office of the Secretary, the Departmental Administration Staff Offices, Office of Communications, and the Office of Budget and Program Analysis.

**Operations** - This office provides USDA agencies leadership, oversight and policy development in the areas of real and personal property, procurement, contracts, transportation, motor vehicles and supply. Under an agreement with GSA, it operates and provides maintenance, security and services to the Washington, D.C. building complex. The Office of Operations also provides procurement, contract, leasing, and other administrative support services to the Office of the Secretary, Office of Communications, the Office of Budget and Program Analysis, and the Departmental Staff Offices.

**Information Resources Management** - This office develops, and disseminates Departmental standards, guidelines, rules, and regulations to implement approved Information Resources Management (IRM) principles, policies, and programs that improve the operational effectiveness of USDA's programs. It provides for Departmental long range IRM planning, guides the IRM planning of USDA agencies, and monitors and oversees major agency and Departmental IRM programs. The Director also serves as Departmental clearance officer for information collection. The Office of Information Resources Management also provides telecommunications and ADP services to USDA agencies and staff offices through the National Computer Centers in Fort Collins, Colorado and Kansas City, Missouri. The office also provides operational ADP services to the Office of the Secretary, Office of the General Counsel, Office of Communications, the Office of Budget and Program Analysis, and the Departmental Administrative Staff Offices.

**Civil Rights Enforcement** - This office provides overall policy and program guidance, leadership, coordination and direction for the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, minorities, and disabled persons, in Departmental programs; and directs Departmental efforts to further the participation of minority colleges and universities in USDA programs.

**Small and Disadvantaged Business Utilization** - This office oversees direction and implementation of Sections 8 and 15 of the Small Business Act and oversees procurement to assure maximum participation of small and disadvantaged businesses in the Department's contracts for goods and services; and directs and monitors USDA agencies compliance in promoting full and open competition in the Department's contracting process.

**Administrative Law Judges/Judicial Officer** - The Administrative Law Judges hold hearings in connection with prescribing new regulations and orders and on disciplinary complaints filed by the Department or on some petitions filed by private parties asking relief from actions of the Department. The Judicial Officer renders final administrative decisions in regulatory proceedings.

**Emergency Programs** - This office is the Department's focal point of contact with the Federal Emergency Management Agency and all other Federal departments and agencies having emergency program responsibilities, and provides oversight, coordination, and guidance to USDA agencies in their emergency planning, training, and activities.

**Info Share** - This program is a new customer-oriented method for USDA agencies to test, evaluate and acquire new technologies which will emphasize one stop customer service and integrated data sharing. In the past USDA agencies independently acquired or developed data systems, hardware, and software to accomplish agency missions. This resulted in redundant business processes, a paperwork burden on USDA customers, high financial investments, and the inability of agencies to share information in an effective time frame. Info Share is a cooperative effort between ASCS, SCS, FmHA, RDA, ES, and FCIC agencies and Departmental staff offices. The basic goals of the Info Share initiatives are to reduce duplication, speed up delivery of customer services, and realize short- and long-term savings with the financial investments that are necessary for automation improvements. By sharing technologies and strategies under Info Share, USDA agencies will be able to take advantage of advancing technologies and modern business processes.

Because most of the current agency systems have reached the end of their useful lives, their replacement is necessary regardless of the concept of Info Share. However, the partnership concept embodied in Info Share initiatives show that significant costs can be avoided. The consolidation of requirements will provide much greater economies to the Department than separate hardware and software purchases by the individual agencies. The projected IRM acquisition costs through Info Share are less than 50 percent of previous agency estimates for separate systems.



Info Share focuses on supporting the field office of the future by fiscal year 1998. By the end of fiscal year 1993, contracts were awarded for personal computers and scientific work stations, commercial off-the-shelf software, and laser printers. These contracts support fast track initiatives and the agencies' interim computing needs. By the end of calendar year 1995, contracts will be awarded for software productivity improvement tools, which ultimately will become the Info Share standard for application development on the next generation of computers, integrating Info Share agency information systems. By 1996, contracts will be in place for hardware, software, and support services to meet long-range Info Share objectives. This technical architecture will be the Info Share platform(s) that replace existing systems used by the agencies to deliver services to USDA clients. The Info Share platforms will allow the agencies to share data and integrate applications and programs.

Under the Info Share concept, an Executive Committee, which includes the Assistant Secretary for Administration, Administrators of the agencies participating in Info Share or their designated representatives, the Deputy Chief Financial Officer, and the Directors of OIRM and OO, represents the Secretary's interests and ensures that Info Share is executed in concert with national priorities. The Committee sets and coordinates overall policy for Info Share.

The Info Share Board of Directors is composed of agency Senior Information Resources Management Officials (SIRMO's), the Deputy Chief Financial Officer, and the Directors of OIRM and OO. The Board determines the guidelines for data administration standards, life-cycle development methodologies and tools, systems design, technical standards for procurement, and telecommunications standards consistent with Departmental policies, standards, and guidelines. It collectively approves recommendations of the agency led Info Share teams and ensures that the individual agencies are focusing IRM efforts toward unified, integrated systems.

The Info Share management Staff and six Team Leaders are responsible for providing leadership in developing Info Share implementation strategies and managing Info Share projects. Each team is composed of agency IRM and program professionals and supported by sub-teams, each led by a participating agency, that carry out the complex, detailed strategies to implement Info Share. The Info Share management staff assists the partner agencies in fulfilling guidance from the Board of Directors.

Info Share has been classified into the following areas:

- (a) Business Process Analysis--Projects under this area will analyze, evaluate, and design business processes which reflect a common documentation methodology supporting customer and agency needs and established criteria for selecting shared business processes that support short and long term needs. Seven business process strategies will accommodate changes required by legislation, identify unique, shared, and common business processes among the agencies, and provide cross training for employees to improve flexibility and customer services.
- (b) Data Sharing--This initiative will focus on the development of a plan to implement the data management infrastructure that streamlines and reduces the number of forms used to collect customer information; standardizes data definitions across farm service, rural development, and natural resources programs; and requires fewer visits by customers to USDA field offices to conduct their business.
- (c) Application Information Systems--This initiative focuses on providing a plan to convert existing applications and data, acquire new software development tools, and establish standards for developing new applications.
- (d) Common Telecommunication Technologies--The Info Share computing environment requires that USDA customers and participating agencies have the capability to move, edit, and process information and data among many locations throughout the United States. The telecommunication initiative ensures that compatible telecommunications and networking technologies are acquired and implemented in a cost-effective manner which support the Info Share computing environment and customer services within it.
- (e) Consolidated Acquisition Management--The Info Share projects under this area provide for centralized testing and acquisition of hardware and software for the automated systems of the agencies participating in Info Share. This large scale procurement initiative will result in consolidated acquisition and implementation of information processing resources to support integrated mission delivery to USDA customers. The short-term and long-range solutions will address the problems that currently face the computing environment of the Info Share partner agencies.

- (f) Implementation--These funds will be used to coordinate with the field service and rural development agencies implementation of Info Share work products, analyses, and systems developed in conjunction with the other Info Share teams, including training on telecommunications and new equipment platforms.
- (g) Info Share Management--These funds will be used to support the staff and expenses (including training, security, and internal controls) associated with the leadership of the program and the management of Info Share projects. The Info Share core staff is primarily responsible for day-to-day management of the Info Share initiative and its six main activity areas: Business Process Analysis; Data Sharing; Applications Information Systems; Common Telecommunication Technologies; and Consolidated Acquisition Management; and Implementation.

#### JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$2,006,000 for the Departmental Administration Staff Offices (\$26,301,000 available in fiscal year 1994) comprised of:

- (a) A net increase of \$303,000 which reflects \$261,000 for the fiscal year 1995 pay raise, an increase of \$119,000 for inflation, and an administrative reduction of \$77,000, as shown in the following table:

Staff Office	Pay Cost	Inflation	Administrative Reductions	Net Change
OP	+\$50,000	+\$4,000	-\$20,000	+\$34,000
OFM	+46,000	+12,000	-3,000	+55,000
OO	+31,000	+11,000	-4,000	+38,000
OIRM	+51,000	+35,000	-39,000	+47,000
OCRE	+58,000	+51,000	-5,000	+104,000
OSDBU	+7,000	--	--	+7,000
OALJ	+15,000	+5,000	-5,000	+15,000
EP	+3,000	+1,000	-1,000	+3,000
<b>TOTAL</b>	<b>+261,000</b>	<b>+119,000</b>	<b>-77,000</b>	<b>+303,000</b>

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$77,000.

Nature of Change. In order to achieve these savings, Staff Offices will reduce discretionary expenses by \$77,000 in areas such as travel, training, supply purchases, printing and reproduction costs, and telephone usage.

- (b) An increase of \$1,862,000 is for program related increases to Staff Offices consisting of:

An increase of \$400,000 for internal automation for the Office of Personnel (OP)

Need for Change. OP requests \$400,000 for internal automation to provide central leadership and guidance for the Department's human resource management program. Automation of OP's information systems is essential in responding to proposals for the restructuring of USDA, and to carry out recommendations by the General Accounting Office (GAO) that OP provide greater oversight and leadership in work force planning, training and retraining, recruitment, personnel management evaluations, and work force diversity for the Department.

In an era of expanding human resource management responsibilities, automation of OP's information systems is the only way the Office will be able to provide effective central leadership for the Department's personnel programs. Most OP computers are old and outdated. Telecommunication linkages with agencies and other Departmental staffs are limited in quality and number. Current computer staff support is inadequate to the short-and long-term basic automation needs of OP.

OP currently lacks uniform equipment, the ability to communicate, and the capability to manage large (Department-size) databases. OP's internal automation goals are: (1) To replace annually one third of the Agency's work stations, to provide employees with the capability to do their job throughout the 1990's and to standardize all equipment and software; (2) to provide a fully functioning external communications capability; (3) to provide the capacity to download and analyze National Finance Center payroll/personnel data for all of USDA; (4) to provide staff support to establish new and innovative systems applications, perform system maintenance, provide "trouble-shooting" services for employees, and the required security officer for office automation; and (5) to improve office automation training for all employees.

Nature of Change. Funds requested will enable OP to create approximately 45 new computer work stations, to replace defective equipment, to stay current with changing technology, and to provide employees with modern work stations. OP will obtain a high-capacity computer and link it to other OP computer work stations, as well as to other USDA agencies to download NFC payroll/personnel data on a bi-weekly basis for analysis of USDA work force. The OP LAN would be provided with full functioning external communication capability.

An increase of \$759,000 and 11 staff years for the Office of Finance and Management (OFM) to improve USDA financial systems.

Need for Change. Financial Systems at USDA need large-scale remedial action to address GAO and OIG audit findings and concerns that keep this area in OMB's "high-risk" category. USDA operates six different nationwide accounting systems, each requiring corrective actions and strengthened central oversight and coordination. To meet OMB requirements for Five Year Financial Systems Plans for Executive Departments, additional staffing is needed to analyze, monitor and improve accounting, financial information and performance data. This plan also mandates greater emphasis on modernization and consolidation of financial systems, elimination of duplicative and unnecessary subsystems, and development of projects to bring systems into compliance with Federal standards.

The CFO Act requires Executive Departments to develop and submit Consolidated Financial Statements for audit. OFM lacks the staffing to provide the level of effort required. The 1991 and 1992 statements were compiled through wholesale reassignment of the financial systems staff from other requirements. Despite this effort, audits of the statements revealed systemic problems. A full-time, dedicated staff is urgently needed to satisfy the legislative mandate.

The Department is also responsible for the management of vast amounts of public assets. For example, USDA is the second largest holder of debts due the Federal government. OFM has been responsible for improvements in collecting debts via tax refund and Federal salary offsets, credit bureau reporting, improved cash management efficiencies through use of lockboxes, electronic funds transfer and aggressive reduction of Prompt Payment Act interest penalties. More needs to be done and the resources requested herein will give OFM the wherewithal to reap additional tangible benefits in asset management.

Nature of Change. Salary, benefits, and operating costs requested for 11 added staff years will provide the leadership, oversight and strategic coordination needed to begin improving financial systems, reporting and asset management.



An increase of \$403,000 and 2 staff years for the Office of Operations to staff activities that respond to recently enacted laws, regulations promulgated as a result of those laws, and areas that have been found to be inadequately addressed by the central guidance agencies and the Congress.

Need for Change. OO has continually absorbed new functions every year without budgetary increases for such activities as:

- 1890 Excess Property Initiative
- Alternative Fueled Vehicle Management
- Commercial Credit Card Implementation
- Stewart B. McKinney Homeless Act Reporting
- Collocation Policy and Reporting

All of these programs require staff years and resources that were taken from other areas. These absorbed functions are OO's responsibility and will continue to expand even as OO is streamlining.

In fiscal year 1993, salaries and benefits were approximately 90 percent of the total \$3.2 million allowance, fixed costs such as Departmental central charges for printing, mail service, computer connect time at NFC, telephones, car leases, and car phones are approximately 8% or \$255,000. This leaves \$64,000 or just under 2 percent in the budget for travel, training, awards, supplies, and equipment. These are the same areas where OO must make "administrative overhead" reductions. After paying all employees and covering their fixed operating costs, very little remains for OO to travel to conduct property management reviews, to do procurement reviews, and to train employees. To survive, OO has increasingly used lapsed salary funds from positions held vacant for very long periods. Also, OO has worked to progressively flatten its organization structure. Some managerial positions have been replaced by subject matter experts who can provide direct services to the client agencies.

In addition, there are two new positions that must be funded in fiscal year 1995, both of which are grade GS-15. One position is added as the result of an EEO settlement. Another USDA agency has agreed to pay for this position until fiscal year 1995. The other increased position is the result of an interagency agreement to transfer a procurement analyst from Forest Service to OO's procurement division. This position staffs the CFO led program to develop a plan to improve the performance and responsiveness of USDA's acquisition and assistance system. OO does not currently have the resources to cover the additional \$158,000 needed in salaries and benefits for these positions.

OO's benefits rate has increased to 19% as CSRS employees retire or leave and are replaced by FERS employees. Also, OO has tremendous Departmental oversight responsibilities for real and personal property management, management of motor vehicles and aircraft, and procurement. In order to provide the necessary oversight, OO specialists must receive the proper training in current regulations, and must be able to travel to the field for compliance reviews, and to render technical assistance.

A serious result of underfunding in the area of equipment was demonstrated last summer when a disk drive that supports OO's link to the Departmental Local Area Network failed. Due to budgetary constraints, there was no tape backup. Valuable data on property systems across USDA was irretrievably lost and had to be laboriously re-entered. Currently, there are no funds available for equipment maintenance agreements, except for several telefax machines. This places Departmental property data systems in an extremely vulnerable position.

Nature of Change. This increase will cover salary, benefits, and other operating costs necessary to fund OO staff, including the two additional positions. The requested resources also will be used to:

- Establish a Department-wide training program on uniform property management.



- Conduct on-site review and assistance visits to prevent fraud and waste in the areas of contracting and property management.
- Conduct onsite visits to 1890 Land Grant Institutions, focusing on those that are not fully participating in property programs due to lack of training and increase excess property acquisition from \$4 to \$8 million.
- Conduct reviews of USDA aircraft and motor vehicle fleets to improve management of these valuable assets.
- Improve Departmental property management methodology and technology, including streamlining and consolidation of property management services.
- Conduct increased oversight through procurement management reviews conducted at the field level with follow on visits as needed.
- Improve the Department's ability to certify that agency and Department-wide procurement systems are adequate, secure, and meet the integrity standards for procurement systems as required by E.O. 12352 and the Office of Federal Procurement Policy Act.

The added resources will strengthen OO's policy, oversight, and guidance to USDA agencies during a period of streamlining and reorganization of the Department's agencies and programs.

An increase of \$300,000 and 4 staff years for the Office of Civil Rights Enforcement (OCRE) for complaint and compliance reviews.

Need for Change. OCRE requests \$300,000 and 4 staff years to address the Department's compliance review and independent complaint investigation capability. A recent lawsuit by the Farmer's Legal Action Group against USDA alleged that a lack of resources to conduct compliance reviews and investigations of program discrimination complaints was responsible for complaints not being addressed in a timely manner. A USDA Taskforce appointed by the Secretary submitted a report identifying the scarcity of resources and concluded that the USDA agencies must devote adequate resources to conduct compliance reviews.

Nature of Change. The requested funds would be used to develop compliance manuals for agencies and USDA program recipients, to conduct two additional on-site compliance reviews and ten on-site complaint investigations per year, to reduce average processing time of complaints to 180 days or less and to increase emphasis on expedited complaint settlement through conciliation.

The resources would also provide salaries and related operating costs for 4 staff years to improve OCRE's capacity to lead, direct, coordinate, and monitor civil rights compliance in USDA, and to provide timely and effective technical guidance and assistance to USDA agencies and clients on how to achieve effective civil rights compliance. The additional staff would permit allocation resources for dedicated review functions. At the present time, staff must also serve in other capacities, e.g., development of mandated affirmative employment plans, nondiscrimination in program benefit implementation plans, training, and technical assistance.

- (c) A decrease of \$159,000 in the Office of Information Resources Management for a reduction in Federal employment costs.

Need for Change. In support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, OIRM is reducing employment from the FY 1993 base by four percent.

**Nature of Change.** To achieve the reduction target, OIRM will streamline its operations. The total reduction in personnel costs amounts to \$159,000. OIRM is examining several options to consolidate and streamline its activities, e.g., oversight of telecommunications policy and operations, data management, and Departmental regulations under paperwork reduction.

- (2) An increase of \$61,490,000 for the Info Share Program which represents the consolidation of information systems planning, design, acquisition and management functions that are common to the six participating farm service, rural development, and natural resources agencies (ASCS, ES, FCIC, FmHA, RDA, and SCS.) The increased funds will be used for the following projects associated with Info Share Program: (a) Business Process Analysis, (b) Data Sharing, (c) Application Information Systems, (d) Common Telecommunication Technologies, (e) Consolidated Acquisition Management, (f) Implementation, and (g) Info Share Management.

**Need for Change.** In order for the common, shared automation services of the Info Share agencies to be combined, it is necessary to identify and document business processes that are held in common. Information requirements that support customer and agency needs must be defined, and criteria established to prioritize them for short and long range strategies. The agencies participating in Info Share will need to create and electronically share data on the customers they have in common. Proper data management by the agencies will enable them to streamline information collection, to reduce the number of forms used, to standardize data definitions for all Info Share agencies' programs, and to save time and require fewer visits by USDA customers to the field offices. The shared data base and improved customer services in the Info Share initiative will require the conversion of old software applications and the development of new ones.

The creation of a Common Access Manager (CAM) will assist Info Share agencies in accessing and sharing their current information. Integrated Computer Assisted System Engineering (I-CASE) tools will support the entire applications life-cycle from business analysis, through systems development, implementation, and maintenance. Other software applications will enable old data to be pulled into the new environment for optimum use of collected information.

In order to efficiently service its customers, the agencies participating in Info Share must have the capability to move information among their offices throughout the nation. This exchange is not possible without cost-effective acquisition and implementation of telecommunications and networking technologies. Co-location of agencies' field offices would be facilitated by the acquisition of compatible communications equipment and networks. Access to information by other USDA sites, the National Computer Center, the National Finance Center, and, possibly, commercial and educational institutions is essential for the continued future viability of the agencies and their missions.

Implementation of the Info Share initiatives will require the participating agencies to combine their resources as they explore the short and long term solutions to the current computing problems of the Info Share agencies' programs. Integrated mission delivery will necessitate the centralized testing and long-scale acquisition of hardware and software for the agencies. The centralized approach will provide a uniform approach, eliminate duplication, and reduce the cost of the procurement process.

Info Share will effectively support consolidation of USDA field offices and implement the Secretary's reorganization plan to reduce staff by 7,500 over the next five years. At the end of Phase I (mid-1996), Info Share will have implemented the local office environment. This environment is made up of microcomputers, shared file servers, peripherals, and end-user tools to increase productivity. Fast track pilot projects that prove successful in fiscal year 1994 will be deployed nation-wide. Also in place by the end of Phase II (1998) will be those transition procurements that are necessary for meeting specific agency requirements. The transition procurements will be required to interoperate, or will provide a migration path to the Info Share environment from existing agency systems. The local office environment will be connected to both a local area network and a wide area network; providing accessibility among the Info Share agencies.

The Info Share projects must have coordinated implementation across project and agency lines. Implementation activities that must be coordinated are scheduled support of re-engineered program applications deployment, training of agency personnel on new systems platforms and telecommunications equipment, and new initiatives or pilots with major benefits in program

delivery or cost savings. Although the vast majority of the work associated with the Info Share initiatives will be performed by agency-based staff, a small independent, centralized staff is required to handle the day-to-day management of Info Share. Independent staff at the Department level should also be responsible for procurement, contract management, budget preparation and execution, and funds management duties.

**Nature of Change.** The increase in funding will provide for the establishment of the necessary tools and methodology that will enable agencies to establish an integrated, shared data base to support field offices and aid implementation of "one-stop shopping" for USDA customers. These resources will provide for costs associated with systems analysis, design and programming services, as well as provide for purchase of software and travel. The requested increase will provide for a telecommunications infrastructure to support the Info Share computing environment and customer services within it. Funding at this level will enable agencies to improve customer service with the development and implementation of application systems that will support the Info Share environment. Funding for the Info Share procurement will provide for the short and long term acquisitions of hardware, software, networking, and support services for the six participating agencies. Funds will provide for travel, training equipment, and contract services that support the implementation of new technology, equipment, and software for Info Share, as well as provide for the expenses associated with a small management staff.

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995

	1993		1994		1995	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C. . . . .	\$36,682,976	390	\$54,811,000	416	\$118,307,000	430
Unobligated balance . . . . .	255,763	--	--	--	--	--
Total Available or Estimate . . . . .	36,938,739	390	54,811,000	416	118,307,000	430



## DEPARTMENTAL ADMINISTRATION

STATUS OF PROGRAMOFFICE OF PERSONNEL

The Office of Personnel (OP) provides overall direction and leadership and promotes innovation for USDA human resources management programs and initiatives, including Work Force Diversity. OP provides leadership to and coordinates the Department's personnel management program in major functional areas such as: recruitment and employment, employee and labor relations, compensation and performance management, training policy and executive development, personnel management information systems, and payroll/personnel systems. Following consultation with cross-serviced agencies, it establishes policy for the USDA payroll/personnel system that services 450,000 Federal employees. In addition, OP provides day-to-day operating personnel services to the Office of the Secretary and Departmental staff offices.

Current Activities:

1. Work Force Diversity: In cooperation with the 1890 Historically Black Land Grant Institutions, the Department implemented the USDA/1890 National Scholars Program to attract and assist outstanding students to careers in agriculture. USDA provides full tuition, fees, books, and a personal computer and software for competitively selected students pursuing a bachelors degree at one of the seventeen 1890 Institutions. The 1890 Institution provides room and board for each scholar. In fiscal year 1993, the program provided jobs and scholarships for 46 students with high Standard Achievement Test or California Achievement Test scores and high school grades, and a record of leadership and good citizenship. Additionally, USDA employed in Fiscal year 1993, 281 employees with targeted disabilities using the ceiling exemption for persons with targeted disabilities provided by the Office of Management and Budget only to USDA. This raised USDA's employment of individuals with targeted disabilities to 1,248 people or 1.74 percent of the permanent work force, up from 1.14 percent in fiscal year 1992.
2. Senior Executive Service Candidate Development Program (SESCDP): The second cycle of the Department's innovative SESCO program began in May 1993. The quality and diversity of candidates in the first and second programs are exceptional. Forty nine percent of the candidates in the second program are women and minorities, a marked increase compared to USDA's existing SES work force where 8.7 percent are members of a minority group and 12.6 percent are women. Eleven individuals from this program have already been appointed to the SES. Four of these are members of a minority group and two are women. OP received the "Federal Service--All Star Team Award" from the International Personnel Management Association for this program.
3. Rightsizing Plan: OP developed the Department's plan for "rightsizing" USDA to achieve mandated employment reductions and support the Department's restructuring and reinventing initiatives. The plan describes employment controls, employee placement strategies, rightsizing "tools" available to management, work force diversity considerations, labor/management consultation guidelines, and implementation timetables.
4. Alternative Merit Promotion System: In cooperation with the USDA agencies, OP "reinvented" the Department's system for hiring internal job candidates to fill vacancies. Managers have been given flexibility in the kind of application materials they request from candidates and candidate evaluation methods. The knowledge, skills and abilities identified in the position description is used as the basis for the evaluation. Briefings and training for implementing this alternative system are underway.
5. Alternative Forms of Discipline: Under this new Departmental policy, the first of this size in the Federal Government, employees may be offered a choice of negotiating an alternative discipline agreement in lieu of traditional penalties. This approach focuses on remedial experiences rather than punishment. It provides opportunities for agencies to better manage increasing caseloads, reduce administrative costs, and rehabilitate employees for productive Government service.

Selected Examples of Recent Progress:

1. Personnel Leadership Forums: In FISCAL YEAR 1993, three Personnel Leadership Forums featuring high quality speakers and panel discussions on major human resources issues were held in Washington, D.C., and broadcast to USDA teleconference sites nation-wide. These Forums addressed: "Planning for a Comfortable Retirement"; "Reinventing Government" for USDA personnel specialists, featuring David Osborne, co-author of Reinventing Government; and "To Think Anew and Act Anew," which discussed the proposed USDA reorganization, as well as actions for streamlining personnel administration.



2. USDA Training Center. OP opened the seven room USDA Training Center that provides state-of-the-art equipment in the USDA headquarters South Building. The cost of operation is borne by users of the facility and is significantly less than renting comparable commercial space on-site. The center also avoids lost time and money transporting people to outside facilities.

3. Reinventing Personnel Administration - Modernization of Administrative Processes (MAP). OP is leading the USDA personnel community in a participative process to eliminate or streamline administrative regulations and processes that affect managers, employees, and the public. Employee "Change Teams" are designing and implementing new personnel processes for the short- and long-term. Some initiatives include: (a) Evaluation and pilot testing of automated personnel processing systems in cooperation with USDA's cross-serviced agencies; (b) Use of a single position description for entry through journeyman level to eliminate artificial distinctions and unnecessary paperwork; (c) Sunset of the Department Personnel Manual (DPM) on October 30, 1993; and (d) Delegation to managers of position classification and employee discipline authorities.

4. Ethics Training and Briefings. OP coordinated a multi-agency team to deliver mandated ethics training for all USDA employees. In FISCAL YEAR 1993, one hour of training was provided to USDA employees. In addition, ethics briefings were provided to outgoing and incoming political appointees. A minimum of two hours of training will be provided annually to more than 22,000 employees world-wide.

5. Incentive Awards. The USDA awards process was "reinvented" by a cross-section of agency employees and OP to emphasize employee participation, local design, and greater use of non-monetary awards. Employee focus groups were held as part of data gathering. In addition, OP provided planning and operational support to the Department's first "Celebration of Excellence" ceremony.

#### OFFICE OF FINANCE AND MANAGEMENT

The Office of Finance and Management (OFM) provides leadership, development, and evaluation of programs in finance, accounting, fiscal policy, Federal assistance, management control, financial management systems, audit follow-up and final action, management and productivity improvement, and metrication implementation. It is also responsible for the management and operation of the National Finance Center (NFC). The Director serves as the Department's Management Improvement Officer and Comptroller of the Working Capital Fund. Also, OFM provides budget, accounting and fiscal services to the Office of the Secretary, Departmental Staff Offices, and centralized appropriations.

#### Current Activities:

1. Management Control. USDA is strengthening the Department's management control process by reviewing and closely monitoring high risk areas. In addition to the Departmental Financial Information System, USDA's agencies with high risk areas include the Food and Nutrition Service, Farmers Home Administration, and the Federal Crop Insurance Corporation. OFM continues to provide assistance and monitoring in remedial action programs for these high risk areas. USDA has initiated the development and implementation of performance measures that will be utilized by USDA agencies within their financial statements.

2. Debt Management. During fiscal year 1993, Department of Agriculture agencies collected over \$13 million from tax refund offsets.

3. ADP Security. Several management and technical weaknesses have been identified in the ADP security program at OFM/NFC. A comprehensive review is being performed to provide guidance on the best way to eliminate them.

4. Cost Management Program. OFM renegotiated and continues to manage the USDA unemployment compensation contract which 23 other Federal entities are also utilizing. In addition, USDA is working to resolve billing problems with the Bell Atlantic Company and American Telephone and Telegraph Company. Due to divestiture and the general services changes in local telephone service, major changes in bill payment systems are required to ensure proper payments.

5. Travel Management. Travel management continues to be a high priority especially with the transition to a new contractor for the travel and transportation payment and expense control system.

Selected Examples of Recent Progress:

1. Financial Statements. The consolidated statements include a statement of financial position, statement of operations, statement of cash flows, and a statement of reconciliation to budget reports. OFM prepared and submitted to the Office of Management and Budget (OMB), preliminary fiscal year 1992 Consolidated Financial Statements for the Department prior to the statutory due date of March 31, 1993.

2. Cash Management. During fiscal year 1993, OFM cash management initiatives resulted in accelerated collections and improved disbursement mechanisms, including:

- \$7.6 billion from cash concentration system collection;
- \$6.2 billion from electronic funds transfer collections;
- \$3.1 billion from lockbox and credit card collections;
- \$16 billion from electronic funds transfer disbursements;
- \$1.3 billion from Direct Deposit/Electronic Funds Transfer for employee payments;
- \$54 million from small purchase credit cards and third party drafts; and
- \$97 million from travel and charge card payments.

During fiscal year 1993, USDA paid 99.3 percent of payments subject to the Prompt Payment Act on time. USDA incurred about \$2.0 million in interest penalties with an occurrence rate of about .6 percent.

3. Metric System. In fiscal year 1992, OFM completed a Departmental Regulation establishing Department-wide policy and assigned the responsibilities for an orderly transition to the metric system. OFM also established the USDA Metric Coordination Committee. OFM continues to perform the following initiatives to implement metrication: (1) participates as USDA's representative in the activities of the Interagency Council on Metric Policy and its Metrication Operating Committee; (2) monitors individual agencies' metric implementation; (3) provides USDA agencies with assistance and technical guidance in the conversion to metrication; and (4) coordinates the Department's Annual Metrication Implementation Report.

4. Total Quality Management. OFM has provided oversight to the agencies in the implementation of TQM. Quarterly meetings with Agency Heads and TQM Coordinators enabled the agencies to share information and experience about their quality implementation efforts. Quality strategies have been refined, processes improved, and skills and knowledge in the transition to a total quality culture have been enhanced. As funds are available, OFM will establish a Library of TQM related information for agency use in implementing TQM processes.

OFFICE OF OPERATIONS

The Office of Operations (OO) provides Departmental policy, oversight, and guidance for the management of real and personal property, procurement, contracts, transportation, supply, motor vehicles, aircraft, and energy conservation. Certain centralized administrative services are also provided in Washington, D.C., including headquarters facilities management; mail processing; acquisition, warehousing, and distribution of forms, publications, and office supplies; reproduction and copying services; shipping and receiving; imprest fund; automated procurement; and administrative support to the Office of the Secretary.

Current Activities:

1. Info Share Consolidated Acquisition Program. OO is providing the procurement support for the Secretary's initiative known as Info Share. Info Share will replace outdated and incompatible equipment in FmHA, ASCS, SCS, ES, RDA and FCIC with open systems technology which will permit business process re-engineering, common use applications, and streamlined service to the public.

2. MAP Electronic Information Task Force. OO is the lead agency for consolidating and streamlining the retrieval of electronic database information for the entire USDA. This should result in overall reduced costs and the availability of many types of information to a wider audience.

3. Third Party Draft System. OO awarded a Department-wide contract for financial services to pay for goods and services up to \$2,500 with drafts, which are similar to checks. USDA will benefit from improved efficiency and reduced costs both by streamlining its acquisition and payment processes and by reducing its cash imprest fund balances.

4. Alternative Fuels Use. To promote the use of ethanol as a preferred alternative fuel, OO published a nationwide "Directory of Service Stations Selling Ethanol-Blended Gasoline." The Directory which lists 3,500 service stations, is being distributed to other Federal agencies. OO in conjunction with the Office of Energy, the National Institute for Science and Technology, the Environmental Protection Agency, the General Services Administration, manufacturers, special interest groups, state organizations, contractors, and USDA agencies, also began testing the effects of bio-diesel fuel on heavy equipment.

5. Procurement Professionalism Program Policy - Training for Contracting Personnel. The Department is presently implementing OFPP Policy Letter 92-3, which establishes a standard for procurement systems. The new guidance requires the Agency Head to ensure that all contracting personnel either complete a series of competency based training courses or demonstrate their competence to perform contract duties through alternative means. The Department must provide procurement personnel with quality training that is consistent from one training location to another. OFPP Policy Letter 92-3 also directs the Department to establish a system for certifying and reporting the completion of all required competency based training courses and on-the-job-training. In accordance with the Secretary's instruction, OO is creating a competency based contracting officer warrant system. The Secretary directed his Procurement Task Force to work with the Procurement Policy Office to pursue a mandatory competency based training program at one or more local colleges or universities. The Procurement Policy Office is presently working with the Procurement Task Force as they prepare to submit training recommendations to the Secretary in January 1994.

#### Selected Examples of Recent Progress:

1. ADP Procurement. OO awarded 16 Department-wide contracts for office automation, including desktop and laptop computers, laser printers, commercial off-the-shelf software, telecommunications equipment and support services. Twelve of the contracts were awarded to small, disadvantaged businesses. These contracts provide a vehicle for all USDA agencies to obtain needed products and services which are compatible and facilitate data sharing and eliminate the costs associated with duplicative procurement efforts at the agency level.

2. Improved Property Management. OO promoted the use of excess personal property, especially military excess resulting from base closures, to prevent unnecessary procurements. In fiscal year 1993, USDA obtained excess personal property valued at over \$216 million. In concert with the USDA 1890 and Hispanic Institutional Task Forces, OO continued efforts to expand the acquisition and use of excess property by institutions. In fiscal year 1993, property valued at over \$7 million was transferred to support research and educational programs.

3. Disability Employment Program. In cooperation with Kodak and Xerox, OO provided copier training for individuals from local organizations which have special and vocational education programs. This ongoing program will assist individuals with disabilities, as well as enhance USDA's recruitment pool.

4. Accommodations for Persons with Disabilities. OO conducted a Department-wide survey to determine levels of accessibility to all buildings where USDA employees conduct business. The survey consisted of an abbreviated version of the Uniform Federal Accessibility Standards (UFAS), Facility Access Survey Checklist. The majority (88%) of our facilities meet some facility standards for parking spaces, ramps, entrances, elevators, accessible routes, toilet facilities, sinks, drinking fountains, public phones, and alarms. Only 11% of reported facilities met all accessibility standards for parking spaces, accessible routes and toilet facilities. Only three tenths of one percent of USDA facilities meet all the standards on our survey's checklist. USDA agencies are scheduling comprehensive UFAS evaluations of all facilities in fiscal year 1994.

5. Utilization Surveys. In accordance with Federal Real Property Management E.O. 12512 and the Department's utilization program, OO provided oversight to surveys of 35 real properties consisting of more than 175,970 acres of land with a fair market value of over \$63 million. OO coordinated with the Department's land holding agencies to report land and improvements valued at \$25,000 with one relocation candidate valued at \$205,000 as excess to GSA.



## OFFICE OF INFORMATION RESOURCES MANAGEMENT

The Office of Information Resources Management (OIRM) provides policy guidance, leadership, coordination, and direction to the Department's information management and information technology activities in support of USDA program delivery. The office provides long-range IRM planning guidance, performs reviews of agency IRM programs, coordinates inter-agency IRM projects, and defines, and implements standards to promote sharing information. The office manages the telecommunications programs of the Department and operates the National Computer Center at Kansas City, Missouri and Fort Collins, Colorado.

### Current Activities:

1. Data Management. OIRM is establishing the USDA Data Management program and drafted several policy and procedural documents and circulated them for review. A USDA Information Management Process which focuses on how Information Management and Information Delivery Systems directly support USDA Programs was completed and disseminated to the agencies. In addition, a Data Management Sub-Council under auspices of the USDA IRM Council has been formed. The Data Management Sub-Council will address data management issues of interest to the Department as a whole and serve as an advisory body to OIRM and the IRM Council.
2. Telecommunications Policy. OIRM is currently engaged in a review and major rewrite of all departmental directives for telecommunications policy to ensure that they are based on accepted industry and governmental standards. One goal is to condense and incorporate all telecommunications regulations into a single directive to reduce and simplify the IRM policy structure.
3. Telecommunications Planning. OIRM will develop an annual update to the 5-year USDA long-range Strategic Telecommunications Plan and develop Open Systems Integration (OSI) transition and implementation plans. OIRM will identify resource requirements and develop an implementation plan for initiatives recommended in the initial Strategic Telecommunications Plan.
4. Agency Liaison Officer (ALO) Program. ALOs are working with USDA agencies to integrate analysis of agency Information Resources Management (IRM) budgets and plans through improved coordination and oversight, earlier planning, concentration on IRM components of cross-cutting issues, and detailed IRM budget reviews. The program was fully staffed in fiscal year 1993 and is successfully implemented at this time.
5. Accessibility Program and Technology Accessible Resources Gives Employment Today (TARGET) Center. The TARGET Center's mission is to support the Department's work force diversity and the Federal work force 2000 policies. The center aids in making information and microcomputer technology accessible to persons with sight, hearing, speech and mobility impairments to assist with career enhancement. These services assure equal access to electronic technology and automated systems essential to today's jobs.

### Selected Examples of Recent Progress:

1. USDA Telecommunications Long Range Plan. OIRM, with contractor support, led an interagency project team in formulating a comprehensive standards-based telecommunications strategy that supports USDA Business and Strategic Plans. This plan was completed in the third quarter of fiscal year 1993.
2. USDA Electronic Mail Review. OIRM led an interagency project team in a review of Departmental electronic mail. The review team assessed the effectiveness of the "backbone" electronic mail system and the ability to exchange electronic messages. Several alternatives were considered and a recommendation forwarded in the team's final report.
3. Acquisition of IRM Resources. Almost 90 percent of acquisitions costing more than \$500,000 are analyzed through the Departmental Parallel Review Process. This process focuses on data and information requirements. This technical review is being applied to major acquisition efforts to ensure coordination of IRM standards for data, software, communications, and equipment.
4. Data Management. OIRM completed the first steps of the USDA Data Management program. These steps focused on how information management and information delivery systems directly support USDA programs. To achieve the anticipated benefits of reinventing USDA, there must be accurate and timely information for decision making, increased sharing of information and other resources, reduction of costs and elimination of duplication.



5. USDA Information Resources Management (IRM) Strategic Plan. The Office of Information Resources Management and representatives of the agency IRM community developed and the Secretary issued the USDA IRM Strategic Plan in January 1993. The plan is intended to guide the progress of information resources management in USDA over the next five years and to ensure that USDA agencies work together to achieve the IRM approach needed to meet USDA's program responsibilities.

#### OFFICE OF CIVIL RIGHTS ENFORCEMENT

The Office of Civil Rights Enforcement (OCRE) provides overall policy and program guidance, leadership, coordination and direction for the Department's civil rights and equal opportunity programs; plans and coordinates the participation of women, hispanics, blacks, native Americans, persons with disabilities, minority colleges and universities, etc., in Departmental programs; and directs and monitors agency compliance in promoting full and open competition in the Department's contracting process.

##### Current Activities:

1. Civil Rights Offices. Authorities, responsibilities and functions related to EEO Counseling and Mediation, Title VII of the Civil Rights Act of 1964 (investigation and resolution of equal opportunity complaints formerly within the Office of Personnel), and Title VI of the Civil Rights Act of 1964 (program complaints formerly handled by individual USDA agencies and reviewed by the Office of Advocacy and Enterprise) are currently being transferred to the newly established Office of Civil Rights Enforcement (OCRE). Steps are currently being taken to reorganize civil rights functions within USDA by establishing civil rights offices at the Under and Assistant Secretary level. This will increase management control and accountability in carrying out the Department's civil rights policies and objectives. The proposed changes are as follows:

(a) Small and Disadvantaged Business Utilization (OSDBU). Responsibilities and functions related to this unit, formerly assigned to the Office of Civil Rights Enforcement, have now been established as a separate staff office.

(b) Disputes Resolution Board. Established as a pilot on October 1, 1993, this Board's function is to negotiate EEO complaints that were not resolved by the EEO Counselor. To date, 27 of 28 cases have been successfully resolved.

##### Selected Examples of Recent Progress:

1. Civil Rights Analysis. OCRE issued a Departmental regulation requiring a civil rights impact analysis for all proposed major policy actions (legislation, budget, reorganization, new policies, etc.).

2. Title VI Program Discrimination. In fiscal year 1993, OCRE received 393 complaints, 141 more than for FY 1992. This represents a 56 percent increase. An analytical framework was adopted to determine if discrimination occurred. The framework is based on the complainant establishing and maintaining a prima facie case.

3. EEO Complaint Processing. EEO Counselors throughout the Department reported 2,125 informal contacts involving alleged EEO discrimination for FY 1993. Unresolved cases were forwarded to the OCRE Disputes Resolution Staff. Of those cases, 639 were forwarded for investigation.

4. Civil Rights Training. OCRE developed a civil rights training video for USDA field level employees who provide services to the public. Nine technical assistance workshops were conducted to train agency civil rights staff in compliance responsibilities.

5. Special Emphasis Programs. OCRE sponsored five career development and management seminars for women. Conducted USDA's first National Training Conference for Women in Albuquerque, NM, with over 450 attendees. In support of the Secretary's strong statement regarding zero-tolerance for sexual harassment, OCRE distributed the revised sexual harassment brochure throughout the Department.

#### OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

The Office of Small and Disadvantaged Business Utilization (OSDBU) provides Department-wide leadership in the implementation and execution of programs under section 8 and 15 of the Small Business Act, as amended, as well as Executive Order 12432, to promote the growth and

competitiveness of small, minority and women-owned businesses through equitable participation in the Department's procurement and program opportunities.

#### Current Activities:

1. OSDBU Function. OSDBU began the process to reorganize the OSDBU Coordinators' responsibility within the Department by having the OSDBU Coordinators report at the Under and Assistant Secretary level.
2. OSDBU Policy Statement. OSDBU is preparing a statement of policy to provide guidance to the Department relative to small, minority and women-owned business utilization.
3. Acquisition Management. In an effort to identify contract opportunities prior to commitment of the resources, an advanced acquisition plan is being formulated to capture proposed acquisitions.

#### Selected Examples of Recent Progress:

1. Procurement Reviews. As part of OSDBU's oversight responsibility, six procurement assistance reviews were conducted during fiscal year 1993 at the Soil Conservation Service, Agricultural Research Service, and Farmers Home Administration in the states of Texas, South Carolina and California. These reviews identified a number of concerns with small and disadvantaged business procurement operations in these offices. OSDBU is now working with the agencies to develop and implement corrective actions.
2. Procurement Forecast. OSDBU prepared an annual Procurement Forecast which related to contracting opportunities for nine USDA Agencies.
3. Small Business Conferences. OSDBU staff participated in 18 small business procurement conferences and trade fairs to provide guidance and information on the types of products and services procured by the Department and to locate potential small and disadvantaged business sources to assist agencies in attaining their goals and matching unique requirements.
4. Minority Vendors. Advertisements were published in "Black Enterprise" and "Hispanic Business Week" to locate minority vendors in the food commodity arena.
5. Minority Participation. OSDBU met with officials of the ASCS Kansas City Commodity Office to determine how we could improve minority participation in their specific program area and to offer technical assistance.
6. Training. Three quarterly training sessions were held for 18 OSDBU Coordinators at headquarters. The sessions, which related to the Small Business Act, involved discussions and dissemination of information on new laws, regulations, Executive Orders, or issues that affect the small business program. Headquarters Coordinators are responsible for disseminating this information to their field locations.

#### OFFICE OF ADMINISTRATIVE LAW JUDGES/JUDICIAL OFFICER

The Office of Administrative Law Judges consists of five Judges, who conduct rulemaking and adjudicatory hearings throughout the United States in proceedings subject to the Administrative Procedure Act (APA), 5 U.S.C. 554 et seq. There are approximately 37 statutes administered by agencies within the Department of Agriculture requiring APA hearings. The Judges issue initial decisions and orders in adjudicatory proceedings, which become final decisions of the Secretary unless appealed to the Secretary's Judicial Officer by a party to the proceedings. Final consent orders are issued by the Judges following hearings or upon waiver of hearing. In addition, the Judges perform related duties, which are consistent with their duties under the APA, such as the Chief Judge's performance of administrative duties and the conduct of appropriate non-APA hearings.

The Judicial Officer serves as final deciding officer, in place of the Secretary, in regulatory proceedings of a quasi-judicial nature. These include appeals from the Administrative Law Judge's initial decisions, and reparation proceedings under the Perishable Agricultural Commodities Act and the Packers and Stockyards Act, which do not require hearings before Administrative Law Judges under the APA. Any party to a proceeding may appeal an Administrative Law Judge's initial decision to the Judicial Officer. Oral argument before the Judicial Officer is discretionary. The Judicial Officer also rules upon matters arising in proceedings that are certified by the Administrative Law Judges.

The Office of the Hearing Clerk receives, files and serves pleadings, briefs, and decisions. It maintains the official records of the Department (including the transcripts of adjudicatory and rulemaking hearings) and in the event of an appeal, certifies such records to the Court of Appeals or District Court for subsequent review. The Hearing Clerk is responsible for publication of Agriculture Decisions, the official compilation of quasi-judicial and judicial decisions issued under regulatory laws administered by the Department.

In addition to processing cases that come before Administrative Law Judges, the Hearing Clerk's Office processed the following in FY 1993:

Perishable Agricultural Commodities Act:	
Reparation Cases.....	389
Packers and Stockyards Act Reparation Cases.....	20
Certification and Authentication of Documents.....	60
Certification of Administrative Records to	
Federal Courts.....	12
Board of Contracts Appeals:	
Scheduling/Canceling Reporting Service.....	42

The following table indicates the number of hearings held by Administrative Law Judges during the past 3 fiscal years, together with the number of initial decisions after hearings, initial decisions upon default, and final consent orders following hearing or upon waiver of hearing. At the end of fiscal year 1993, 112 cases were pending before the Judges, of which 62 were scheduled for hearings.

HEARINGS AND DISPOSITIONS (Adjudicatory; Unless Otherwise Indicated)						
Type of Proceeding 1./	FY 1991		FY 1992		FY 1993	
	Hearings	Dispositions	Hearings	Dispositions	Hearings	Dispositions
AGRICULTURAL MARKETING AGREEMENT, 1937:						
Adjudicatory	2	22	--	11	--	3
Rule-Making	5	2	3	1	3	5
INSPECTION & GRADING - Adudicatory	--	--	--	1	--	--
ANIMAL QUARANTINE & RELATED LAWS:						
Veterinary Accreditation	1	8	2	7	1	4
Animal Quarantine	7	69	1	72	5	67
Plant Quarantine	--	70	2	121	3	140
ANIMAL WELFARE ACT	5	56	4	44	4	21
BEEF PROMOTION RESEARCH ACT	1	1	--	2	--	1
EGG RESEARCH & CONSUMER INFORMATION ACT	--	--	--	--	--	1
FLUID MILK PROTECTION	--	--	--	--	--	1
DEBARMENT, NONPROCUREMENT SUSP.	2	--	--	2	--	--
MEAT/POULTRY INSPECTION	--	8	1	8	2	4
FOREST SERVICE SOURCING AREA APPLICATIONS	7	30	--	4	--	--
GRAIN STANDARDS ACT	--	4	--	--	--	1
HONEY RESEARCH PROMOTION CONSUMER INFORMATION ACT	--	1	--	--	--	1
HORSE PROTECTION ACT	16	164	22	149	13	87
INSPECTION & GRADING	--	3	--	--	--	1
PACKERS & STOCKYARDS	3	101	3	81	5	108
PORK PROMOTION, RESEARCH & CONSUMER INFORMATION ACT	--	--	--	--	--	3
PERISHABLE AGRICULTURAL COMMODITIES ACT	5	88	4	61	5	60
POTATO RESEARCH & PROMOTION ACT	--	1	1	1	--	--
TOBACCO INSPECTION/PRICE SUPPORT (Rulemaking)	2	2	--	--	--	1
TOTALS	56	630	43	565	41	509

1. Proceedings are adjudicatory, unless specified otherwise.



### EMERGENCY PROGRAMS

Emergency Programs (EP) serves as the Department's focal point for coordinating emergency programs and is the primary contact with the Federal Emergency Management Agency and other Federal departments and agencies with emergency programs responsibilities. EP establishes emergency programs policy and manages emergency activities of the Department to ensure that a structure is in place to assess the impact of a disaster on food production, processing, and storage facilities, and that food and assistance programs are available in disaster areas. EP provides leadership, guidance, direction, and coordination to Regional Emergency Management Teams, 50 USDA State Emergency Boards and Puerto Rico and the Virgin Islands, and some 2,700 USDA County Emergency Boards. EP provides representation on the NATO Food and Agriculture Planning Committee and other international committees dealing with emergency activities relating to food and agriculture.

#### Current Activities:

1. Executive Order 10480. EP is in the process of coordinating USDA's contribution to the revision of Executive Order 10480 entitled, "Further Providing for the Administration of the Defense Mobilization Program." This Executive Order is the implementing document for the Defense Production Act of 1950.
2. USDA Emergency Response Structure. A review and assessment of the USDA Emergency Programs response structure with a view toward improving responsiveness is currently underway. After completion, EP will establish a comprehensive training program for USDA emergency personnel covering national security, natural disasters, technological, and other types of emergencies. EP also will coordinate Departmental Headquarters and field participation in NATO Civil/Military Exercise-94, Canadian Exercise II, Global-94, Radiological exercises, Chemical Stockpile Emergency Preparedness Plan exercises, and Response-94.
3. USDA Reorganization. EP staff is monitoring the reorganization activities of the Department to ensure continued readiness to respond to emergencies during this period and also to ensure that all emergency programs responsibilities are accounted for in the new USDA organizational structure.
4. Federal Emergency Management Agency Reorganization. The reorganization activities of the Federal Emergency Management Agency is being monitored to ensure that appropriate coordination is maintained throughout the transition period.
5. Departmental Regulations, Handbooks and Guidance. As the USDA reorganization proceeds, EP will begin updating Departmental Regulations, handbooks, and other guidance documents that impact upon the operation of the USDA emergency response structure at the Headquarters level, and at the regional, State and county levels.

## INFO SHARE

STATUS OF PROGRAM

This new customer-oriented program within the United States Department of Agriculture (USDA) will help improve delivery of services to the American public through business process re-engineering and systems integration in the farm service, rural development and natural resources agencies.

There are six Info Share teams charged with developing and implementing the major activities that comprise the Info Share Program. Each team's foremost accomplishments for fiscal year 1993 are provided in this document.

BUSINESS PROCESS ANALYSIS (BPA) TEAM

In March 1993, the BPA team, which is comprised of program operations managers, determined the following top initiatives for improving customer service.

Methodology and tools to use in pilot and long-term projects - The team members were trained on the newly adopted Information Engineering (IE) methodology, existing business process analysis tools were inventoried and a Statement of Work (SOW) for providing a technical laboratory was submitted for contractor review.

Develop an Information Strategic Plan (ISP) for Info Share agencies - The BPA team established a core ISP team, consisting of participating agency personnel, trained them on IE methodology and developed an SOW for contractor support.

The team established criteria for shared business processes and selected 14 fast track projects to be implemented as pilot projects by the applications team.

DATA TEAM

The Data team's main responsibility is to utilize existing equipment and software to establish an Info Share data administration framework, an interim common database, and Info Share data standards prior to new acquisitions. The team's main strategies are explained in the following paragraphs.

Implement Info Share data management methodology and responsibilities - Existing data management policies, procedures, and standards were collected and evaluated for Info Share agencies' use. Policy and procedure manuals were developed to provide agencies with uniform standards and procedures to begin using to achieve one of Info Share's main goals of standardizing customer data.

Develop an Info Share data repository system - An interim data repository system was established to capture and sort shared data elements, definitions and other relationships. This provided a single near-term place to collect, identify and resolve discrepancies and to standardize common elements and definitions. New data element attributes were defined and implemented in the repository. An existing on-line user interface was updated to reflect Info Share processing requirements. Common terms used by Info Share agencies are being collected and reports written to document definitions, forms, custodian/user agency(s) and to document agreement regarding term definitions.

Standardize Info Share data elements and definitions - The team has identified and located existing sources of data elements for the Common Client Name and Address System (CCNAS) fast track project, added elements and definitions into the repository and identified multiple definitions, code values, size discrepancies, etc. for later resolution by agency business specialists.

Identify and direct data management training - Initial data management training objectives were identified and coordinated with the Training Staff.

APPLICATION INFORMATION SYSTEMS (AIS) TEAM

The AIS team is responsible for implementing the strategies to assist the agencies clients in obtaining information and facilitating the sharing of common information between the partner agencies. A detailed project plan for development of the Common Access Manager (CAM) was prepared, requirements analysis was completed, the analysis of alternatives was documented, a benefit cost analysis was prepared, and technical approval was obtained. In September 1993, a task

order was awarded to 8(A) firm, FU Associates, to begin work on development of CAM and prototyping connectivity between the partner agencies' legacy systems.

Info Share developed a procurement strategy to acquire expert, objective assistance in the task of developing both short-term and long-term solutions to the connectivity and compatibility issues that face the Info Share agencies computing environments today. One of the prototype activities, referred to as the Technology Lab, addresses the need for developing procurement and acquisition documentation that will support the acquisition of computer hardware, software and networking capabilities that will satisfy the Info Share agencies' needs into the 21st century.

The purpose of the Technology Lab is to utilize a prototyping methodology to develop and refine the Info Share agencies' requirements and alternatives to support obtaining the approvals and funding necessary for long-range hardware and software acquisitions. This strategy will allow Info Share agencies' personnel to gain experience in the use of I-CASE and RDBMS toolsets to reduce the time between acquisition of new tools and deployment of applications to the field that support Info Share's missions. This strategy also provides opportunities to capitalize on the intangible benefits derived from having "real data" to support defining the requirements and to demonstrate "proof of concept" to Administration and Congressional officials. The SOW was developed for Task 1 of the Technology Lab and the contract was awarded to an 8(A) firm.

**Fast Track Projects** - The fast track projects were initiated in June 1993. Project sponsors and leaders were designated by the lead agency and a representative was assigned from each agency to participate on each project. These projects will be implemented in fiscal year 1994.

**Common Client Name and Address** - This project will build a single name and address file containing all customers of Info Share agencies. It will solve problems such as redundant/erroneous data, multiple addresses and Privacy Act concerns. The agencies agreed upon the common elements to include in the database. The functional design was completed and the database developed.

**Geographic Information Systems (GIS)** - Each agency currently manages duplicated land unit databases through a manual process, resulting in synchronization problems. A SOW was drafted for the development of programs to provide for the interface between the tabular data and spatial data.

**Conservation Compliance (AD-1026)** - This project will provide Sodbuster/Swampbuster eligibility information in a database that will be accessible by all agencies. The requirements were defined and a database developed.

**SCS Soils Information** - This project will allow agencies to access the soils attribute data currently resident at SCS field office sites, and will eventually tie into the GIS project to display spatially. Functional requirements were started.

**Farm Summary Information** - This project began under the Easy Access initiative and will be expanded as an Info Share project. This is planned to be a two-part project, allowing access to farm data at the ASCS County Office sites and to farm data maintained by FCIC on the mainframe. Requirements were defined and program development is underway for both parts of the project.

**Inventory Property System** - The Acquired Property Inventory Tracking System (APTS) provides on-line access and ad hoc reporting to manage FmHA's inventory properties. Functional requirements are complete and systems design in progress.

**Soils Information for the Planetor System** - The Planetor System is an ES application used as a farm planning tool, designed for on-farm planning. This project will provide access to the SCS soils database at Iowa State University for use with Planetor. Functional requirements are being finalized.

**PLANTS** - Data now exists in tabular form within SCS on North American flora and 3,000 plants of agronomic and cultural significance. This data will be expanded and will be made accessible to other agencies. A second phase of the project will tie this data into the GIS project. Functional requirements are in progress.

**ASCS/AMS Data Share (Cotton Classing)** - Agricultural Marketing Service (AMS) in Memphis has a database of cotton grading and classing information that is necessary for cotton producers to obtain price support loans from ASCS. Procurement of PCs for the 200 ASCS County Offices was completed. Software was developed to obtain the information from the AMS database. Training was completed in September 1993 and the system placed in production. Service to the cotton producers was greatly expedited, allowing a check to be produced and handed to the farmer within minutes rather than days.



## TELECOMMUNICATIONS TEAM

The Info Share Telecommunication Team's activities focus on the following projects or strategies.

**Optimization and concentration** - Many Info Share agencies have field office units co-located with other USDA agencies; however, the telecommunications equipment and services that support these co-located units are usually dissimilar and isolated. The cost of acquiring and operating these separate systems is excessive. The team will identify sites where the telecommunications facilities and services can be consolidated providing improved service at a lower cost. The contract vehicle needed to support this activity was established in August 1993. Optimization and concentration activities have been initiated at the first eight (8) sites. Savings at the Gainesville, Fla. location have been noted to be approximately \$8,000/month which is typical of the savings expected.

**Expanded INTERNET Access** - Among the participating Info Share agencies there were three (3) INTERNET access nodes; however, due to a variety of problems INTERNET access was not available to the vast majority of Info Share agency personnel. The purpose of this strategy was to encourage cooperation among the Info Share agencies in order to allow general personnel access to this valuable network resource. The team has developed a comprehensive plan to manage network addresses. This plan will result in one organizational entity being accountable for managing the allocation of addresses to support all networking in the future. Connectivity solutions were established to allow for wide-scale access of INTERNET from users. Even a user with a PC and a modem can gain INTERNET access. A general INTERNET User Guide was published which provides comprehensive information on how to gain access to the INTERNET using the facilities established.

**Enhance IBM mainframe network capabilities** - The objective of this initiative is the implementation of a suite of advanced networking protocols on the IBM mainframes located at National Computer Center (NCC) and National Finance Center (NFC) to enable field office system access of valuable information resources that are located at these major data repositories. An initial production implementation of these capabilities was accomplished at the NCC in August 1993. Evaluation and testing of this initial implementation led to the identification of additional capabilities that are needed to enable a full-service environment on the IBM mainframe.

**State-wide network implementation** - The purpose of this initiative is to implement an integrated network environment among all field offices within an entire state. In addition, national computing resources will also be connected to this state-wide network facility. Local area networks (LANs) will be used to connect the legacy systems within a field office. An integrated wide area network (WAN) will be used to interconnect the field office LANs in order to form a fully connected, fully integrated network environment. The state of Kentucky was selected to be the pilot. The technical design of the Kentucky network was accomplished. This design included a solution for connecting agency legacy systems. The initial telecommunications service orders to support WAN connectivity have been placed. A contract mechanism has been established that can be used to acquire network equipment needed to accomplish the Kentucky implementation.

**Training** - This strategy is to provide telecommunications and network training for application programmers and field office staff in support of Info Share initiatives. Course curricula for application programmers and for field office workers have been drafted and two network programming courses, "C Language Programming" and "Introduction to Network Programming", were designed by contractors.

## TECHNICAL TEAM

The Info Share program provides for consolidated planning, acquisition, and management of the technical infrastructure that supports the Info Share agencies information processing. The Technical team is responsible for the following procurement strategies that will provide short-term and long-term acquisitions of information resources.

**Award multiple contracts for short-term hardware and software needs** - Contracts were awarded in September 1993 to meet the Info Share agencies' immediate needs in the following areas: (1) personal computers and engineering workstations, (2) commercial-off-the-shelf (COTS) software; and (3) laser printers. These general purpose contracts were issued based upon combined requirements of the agencies.

**Award Federal Information Processing (FIP) resources for long-term needs** - Although this award is planned for fiscal year 1997 for acquisition of hardware, software, support services, and telecommunications to meet the long-term Info Share objectives, an 8(A) contract was awarded in September 1993 to Synex, Inc. to provide acquisition support services. This includes preparation of



technical studies and documentation support necessary for submitting the appropriate procurement documentation for a contract award.

#### IMPLEMENTATION TEAM

The Implementation team's mission is to identify, plan, implement, and manage the strategies necessary for a successful transition to and operation of the USDA Info Share program.

The first meeting of the core team was held in St. Louis, Missouri, July 19-23, 1993. During this meeting the team's charter, strategies, and initial budget estimates were developed. The team has developed work breakdown structures identifying tasks for each of the strategies and estimates of resources required by each of the tasks. Inter-task dependencies were identified and used to develop a project plan network diagram for each of the team's strategies.

## WORKING CAPITAL FUND

Purpose Statement

The USDA Working Capital Fund (WCF) was established in legislation appropriating funds to the Department for FY 1944 codified at 7 U.S.C. 2235. The WCF is used to finance services provided to USDA and non-USDA agencies on a centralized basis. The costs of providing services to all WCF clients are recovered on the basis of the level of service each client receives. Services to non-USDA agencies reduce the share of fixed costs to users of WCF-supported services as the number of agencies sharing those costs expands.

Centrally managed operations provide efficient, economical services through economies of scale, extensive management attention, and high-level, regular fund control reviews. Users benefit from cost avoidances for administrative and support services. The Director, Office of Finance and Management (OFM), serves as WCF Comptroller, serving to monitor and supervise fund management activities. Seven USDA agencies: OFM, the Office of Operations (OO), the Office of Public Affairs (OPA), the Office of Information Resources Management (OIRM), the Office of the Executive Secretariat (OES), the Office of Personnel (OP), and the Chief Financial Officer (CFO) manage activities supported by the Fund.

OFM manages the National Finance Center (NFC), which provides financial and administrative management services to USDA agencies and more than 30 non-USDA entities.

OPA manages 2 WCF activities -- Video and Teleconferencing Services (V/T), and Design Center. V/T provides video production services to USDA agencies, and studio and production facilities for teleconferences in which USDA agencies participate. Design Center provides USDA agencies with exhibit design and visitor center support services.

OIRM manages 6 activity centers. Under the National Computer Center (NCC) umbrella organization, established in March 1991, there are three activity centers: NCC/Mainframe, located in Kansas City, Missouri; NCC/FTS-2000, located in Fort Collins, Colorado; and NCC/Applications Design, also in Fort Collins. NCC provides mainframe computing services, ADP training, and other ADP services to USDA agencies and a small number of non-USDA entities. NCC/FTS-2000 manages telecommunications services on behalf of USDA agencies. NCC/Applications Design supports systems and software development services to USDA agencies and non-USDA users. The Computer Services Unit provides ADP services to the Office of the Secretary and Departmental staff offices. The Telephone Services Operation is responsible for telephone equipment and system maintenance. Local Area Network operates and maintains the local area network system serving the Headquarters buildings complex.

OO provides personal property management, mail and reproduction management, and executive support services through 10 activity centers. Central Supply-Stores and Central Supply-Forms provide centralized supply and forms management, as well as warehousing and inventory services. Central Excess Property Operation provides Departmental agencies with excess and surplus property disposition services in addition to furniture rehabilitation services. Central Mail Unit, Copier Service, Duplicating Unit, and Automated Mailing List Service furnish USDA agencies with door-to-door mail pick up and delivery services, walk up and short order copier services, special order duplicating services, and updating and maintenance of the various Departmental mailing lists. Central Imprest Fund, Central Shipping and Receiving, and Agriculture Contract Automation System, offer a variety of executive support services to USDA agencies. Among these include cash disbursement for small purchases and travel, receipt and shipment of parcels, and maintenance of a procurement language software system.

OES provides correspondence management, tracking, and recordkeeping for the Department. OP manages the USDA Training Center which provides facilities and equipment for training USDA personnel in the Washington metropolitan area. Residing under the CFO is the Financial Information Systems Vision and Strategy Project, which has as its goal the development, enhancement, and coordination of Departmental and agency financial systems.

WORKING CAPITAL FUND  
 CLASSIFICATION BY OBJECTS  
1993 and Estimated 1994 and 1995

Personnel Compensation:	<u>1993</u>	<u>1994</u>	<u>1995</u>
Headquarters . . . . .	\$7,211,000	\$6,903,000	\$6,678,000
Field . . . . .	<u>68,018,000</u>	<u>64,540,000</u>	<u>61,956,000</u>
11 Total personnel compensation . . . . .	75,229,000	71,443,000	68,634,000
12 Personnel benefits . . . . .	12,476,000	12,723,000	12,176,000
13 Benefits for former personnel . . . . .	-14,000	119,000	114,000
Total pers. comp. & benefits . . . . .	<u>87,691,000</u>	<u>84,285,000</u>	<u>80,924,000</u>
Other Objects:			
21 Travel . . . . .	1,325,000	1,475,000	1,429,000
22 Transportation of things . . . . .	1,005,000	850,000	800,000
23.1 Building rental . . . . .	4,469,000	8,755,000	8,801,000
23.2 Communications, utilities and miscellaneous charges . . . . .	20,825,000	27,976,000	29,374,000
24 Printing . . . . .	1,374,000	1,365,000	1,298,000
25 Other services . . . . .	46,273,000	53,296,000	58,498,000
26 Supplies and materials . . . . .	6,722,000	7,736,000	7,110,000
31 Equipment . . . . .	13,194,000	21,797,000	22,113,000
43 Interest . . . . .	<u>8,000</u>	<u>3,000</u>	<u>3,000</u>
Total other objects . . . . .	<u>95,195,000</u>	<u>123,253,000</u>	<u>129,426,000</u>
Total . . . . .	<u>182,886,000</u>	<u>207,538,000</u>	<u>210,350,000</u>
Position Data:			
Average Salary, ES positions . . . . .	\$107,000	\$110,000	\$110,000
Average Salary, GM/GS positions . . . . .	\$28,000	\$30,000	\$31,000
Average Grade, GM/GS positions . . . . .	8.3	8.5	8.5

## WORKING CAPITAL FUND

## Program Activity:

Current Estimate, 1994 . . . . .	\$207,538,000
Budget Estimate, 1995 . . . . .	<u>210,350,000</u>
Increase over 1994 . . . . .	<u>+2,812,000</u>

SUMMARY OF INCREASES AND DECREASES  
(Program Activity)

<u>Items of Change</u>	<u>1994 Estimated</u>	<u>Program Changes</u>	<u>1995 Estimated</u>
1. Supply/Central Services . . . . .	\$20,959,000	-\$848,000	\$20,111,000
CS Stores . . . . .	2,435,000	-52,000	2,383,000
CS Forms . . . . .	4,617,000	-134,000	4,483,000
CEPO . . . . .	1,904,000	-36,000	1,868,000
CSR . . . . .	415,000	-16,000	399,000
Imprest Fund . . . . .	244,000	-10,000	234,000
AGCAS . . . . .	270,000	-14,000	256,000
Central Mail . . . . .	3,471,000	-135,000	3,336,000
Duplicating Unit . . . . .	1,368,000	-103,000	1,265,000
Copier Service . . . . .	3,926,000	-346,000	3,580,000
DMLS . . . . .	215,000	-8,000	207,000
Executive Services . . . . .	1,940,000	+12,000	1,952,000
Training Center . . . . .	154,000	-6,000	148,000
2. Video/Teleconferencing, Visual Design Services . . . . .	4,452,000	+64,000	4,516,000
Video/Teleconferencing . . . . .	1,773,000	+36,000	1,809,000
Design Center . . . . .	2,679,000	+28,000	2,707,000
3. Finance & Management . . . . .	117,061,000	+417,000	117,478,000
NFC . . . . .	114,300,000	-2,996,000	111,304,000
Financial Information Systems . . . . .	2,761,000	+3,413,000	6,174,000
4. ADP Services . . . . .	44,612,000	+2,833,000	47,445,000
NCC/Mainframe . . . . .	31,895,000	+2,491,000	34,386,000
NCC/NMS . . . . .	3,949,000	+355,000	4,304,000
NCC/AD . . . . .	4,820,000	+19,000	4,839,000
CSU . . . . .	1,281,000	-73,000	1,208,000
TSO . . . . .	1,110,000	+52,000	1,162,000
LAN . . . . .	1,557,000	-11,000	1,546,000
Recurring Operations . . . . .	187,084,000	+2,466,000	189,550,000
Capital Equipment . . . . .	<u>20,454,000</u>	<u>+346,000</u>	<u>20,800,000</u>
Total . . . . .	<u>207,538,000</u>	<u>+2,812,000</u>	<u>210,350,000</u>



**PROJECT STATEMENT**  
(On basis of program activity)

Item of Change	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Supply and Central Services	\$19,057,000	207	\$20,959,000	213	-\$848,000(1)	\$20,111,000	207
CS Stores . . . . .	2,297,000	8	2,435,000	9	-52,000	2,383,000	9
CS Forms . . . . .	4,064,000	28	4,617,000	30	-134,000	4,483,000	29
CEPO . . . . .	1,733,000	12	1,904,000	12	-36,000	1,868,000	12
CSR . . . . .	390,000	1	415,000	1	-16,000	399,000	1
Imprest Fund . . . . .	259,000	4	244,000	5	-10,000	234,000	4
AGCAS . . . . .	257,000	2	270,000	2	-14,000	256,000	2
Central Mail . . . . .	3,490,000	92	3,471,000	87	-135,000	3,336,000	84
Duplicating Unit . . . . .	1,185,000	12	1,368,000	12	-103,000	1,265,000	12
Copier Service . . . . .	3,752,000	26	3,926,000	28	-346,000	3,580,000	27
DMLS . . . . .	181,000	3	215,000	3	-8,000	207,000	3
Executive Secretariat . . . . .	1,365,000	17	1,940,000	21	+12,000	1,952,000	21
Training Center . . . . .	84,000	1	154,000	3	-6,000	148,000	3
2. Video/Tele. & Visual Design Services	4,650,000	26	4,452,000	29	+64,000(2)	4,516,000	29
Video/Teleconf. . . . .	2,080,000	14	1,773,000	14	+36,000	1,809,000	14
Design Center . . . . .	2,570,000	12	2,679,000	15	+28,000	2,707,000	15
3. Finance & Management	106,498,000	1,535	117,061,000	1,506	+417,000(3)	117,478,000	1,451
NFC . . . . .	106,489,000	1,535	114,300,000	1,506	-2,996,000	111,304,000	1,451
Financial Info. Sys. . . . .	9,000	0	2,761,000	0	+3,413,000	6,174,000	0
4. ADP Services	40,969,000	202	44,612,000	215	+2,833,000(4)	47,445,000	214
NCC/MF . . . . .	31,063,000	139	31,895,000	131	+2,491,000	34,386,000	127
NCC/NMS . . . . .	3,624,000	22	3,949,000	28	+355,000	4,304,000	30
NCC/AD . . . . .	3,124,000	29	4,820,000	46	+19,000	4,839,000	47
CSU . . . . .	1,163,000	11	1,281,000	8	-73,000	1,208,000	8
TSO . . . . .	870,000	1	1,110,000	2	+52,000	1,162,000	2
LAN . . . . .	1,125,000	0	1,557,000	0	-11000	1,546,000	0
Recurring Operations	171,174,000	1,969	187,084,000	1,963	+2,466,000	189,550,000	1,901
Capital Equipment . . . . .	11,712,000	0	20,454,000	0	+346,000	20,800,000	0
Total . . . . .	182,886,000	1,969	207,538,000	1,963	+2,812,000	210,350,000	1,901

FUNDING FROM NON-USDA AGENCIES

(On basis of program activity)

Item of Change	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Supply and Central services	\$1,967,000	0	\$2,219,000	0	-\$310,000	\$1,909,000	0
2. Video/Tele. & Visual Design Services . . .	48,000	1	50,000	0	+2,000	52,000	0
3. Finance & Management	59,988,000	867	64,737,000	777	-2,940,000	61,797,000	722
4. ADP Services	805,000	0	344,000	0	-344,000	0	0
Total	62,808,000	868	67,350,000	777	-3,592,000	63,758,000	722

## WORKING CAPITAL FUND

EXPLANATION OF PROGRAM

Authorized under Public Law 78-129, making appropriations to USDA for FY 1944 (7 U.S.C. 2235), the USDA Working Capital Fund finances services provided to USDA agencies on a centralized basis. Under the law, only activities approved by the Director of the Office of Management and Budget (OMB) may be carried out under the Fund. Centralization is recommended by the Department and approved by OMB when:

-- Centralization will result in cost savings due to:

- Economies of scale
- Reduced overhead
- Central cost-based management
- Coordination which avoids duplication of effort among agencies

-- Centralization offers other advantages such as:

- Improved services to agencies and to the public
- Availability of services to agencies which could not afford them except on a centralized basis
- Ability to replace equipment on a long-term basis through the use of depreciation charges to users

The Fund received an initial appropriation of \$400,000 for FY 1944. Over the years, additional working capital has been made available through initial transfers into the Fund of activities meeting the above criteria and through Congressional appropriations and authorizations to receive growth capital from serviced USDA agencies. WCF operations are financed by charging user agencies the actual costs of providing required services. The following are services financed through the Fund:

Supply and Other Central Services. The Office of Operations manages the following services under this category: (a) central supply, which provides for the acquisition, receipt, storage, issuance, packing, and shipment of office and other supplies, blank forms, and miscellaneous materials for the Department and other Government agencies; (b) central mail services, which include operation of the USDA mail processing, messenger, and automated mailing list services; (c) central excess property, which coordinates receipt, rehabilitation, and distribution of personal property for the Department and other Government agencies; (d) central shipping and receiving services; (e) central imprest fund, which provides cash advances for small purchases and travel; (f) automated contract system used by agencies and staff offices to prepare procurement documents; and (g) copier and duplicating services which provide duplicating, reproducing,

binding, addressing and mailing, and short-order and walk-up copier stations for duplicating and xerographic production. The Office of the Executive Secretariat provides referral and correspondence control services for mail addressed to the Secretary, the immediate Office of the Secretary, and the Department. The Office of Personnel manages a Training Center that provides training facilities to agencies in the D.C. Metropolitan area.

Video and Teleconferencing, & Visual Design Services. These activities, managed by the Office of Public Affairs plan, design, and produce visual information materials, exhibits, art, and graphics materials for the Department and other Government agencies.

Finance and Management. The Office of Finance and Management's National Finance Center designs, develops, implements, and operates centralized administrative systems for the Department. Centralized payroll, personnel, voucher and vendor payments, billings and collections, property management, accounting, and financial recordkeeping systems are currently provided. It also produces external financial reports to Treasury and other agencies, and internal management reports for Departmental agencies. In addition, the National Finance Center provides financial and accounting services to a number of other Federal Departments through "cross-servicing" agreements and serves as recordkeeper for the Thrift Savings Plan System under the Federal Employee Retirement System. The Financial Information System Vision and Strategy project has the aim of coordinating, consolidating, and improving financial systems in the Department.

ADP Services. The Office of Information Resources Management provides a comprehensive range of ADP services through six activity centers. National Computer Center (NCC)/Mainframe provides mainframe computing services (information management, research and development, testing, and consulting). NCC/Network Management Services provides telecommunications network support. NCC/Applications Design provides full life-cycle development and maintenance of mainframe and distributed applications. The Computer Services Unit provides ADP support to the Office of the Secretary and Departmental staff offices. Telephone Services Operation serves as the focal point for acquisition, installation, movement, and maintenance of telephone lines and equipment for USDA agencies in the Washington, D.C. metropolitan area. Local Area Network operates and maintains USDA local area network cable plant management.

#### JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$848,000 for recurring operations of Supply and Other Central Services consisting of:

Central Supply Stores	-\$52,000
Central Supply Forms	-134,000
Central Excess Property	-36,000
Central Shipping and Receiving	-16,000
Central Imprest Fund	-10,000
Agriculture Contract Automation System	-14,000
Central Mail Unit	-135,000
Duplicating Unit	-103,000
Copier Service	-346,000
Departmental Mailing List	-8,000
Office of the Executive Secretariat	+12,000
Training Center	-6,000
Total	-\$848,000

Need for Change. Reductions in this area are taken to support efforts to reduce costs for administrative efficiencies and a reduction in Federal employment.

Nature of Change. Reductions are taken in all expense categories in an effort to reduce administrative costs. Exceptions are cost estimates for GSA space, for which increases are necessary to comply with requirements to reimburse GSA at the full space utilization rate for space occupied, and depreciation on capital equipment. Reductions assume no increases in service workload, no system/service improvements, and no new system/service initiatives. In the Office of the Executive Secretariat, increases reflect costs associated with system improvements and expected demand. However, reductions were applied to this area as well to help offset increases associated with those improvements. Streamlining of operations in these activities will be accomplished by suspending system/service improvements, postponing or

cancelling new service/system initiatives, and suspension of requests for increases in services volumes. Labor costs will be reduced through a reduction of 6 FTEs from the FY 1994 level.

(2) An increase of \$64,000 for recurring operations of Video and Teleconferencing, and Visual Design Services consisting of:

Video and Teleconferencing Services	+ \$36,000
Design Services	<u>+28,000</u>
Total	<u>+ \$64,000</u>

Need for Change. Cost increases for Visual Design Services are expected to be less than inflation. Cost increases in Video and Teleconferencing are for enhancements in video production capability.

Nature of Change. Non-inflationary cost increases in Video and Teleconferencing Services reflect the need to purchase new equipment to improve reliability of service and contract support costs. All cost increases in Design Services are the result of personnel and other cost inflation. There is also a slight increase in Design Services depreciation costs for approved capital acquisitions.

(3) An increase of \$417,000 for recurring operations of Finance and Management consisting of:

National Finance Center	-\$2,996,000
Financial Information Systems	<u>3,413,000</u>
Total	<u>+ \$417,000</u>

Need for Change. Reductions in estimates for the National Finance Center are taken to support efforts to reduce costs for administrative efficiencies and a reduction in Federal employment. Costs for Financial Information Systems represent expenses in support of the Financial information system Vision and Strategy (FISVIS) project, which began in FY 1993. This project will address improvements in Departmental financial systems, including: integration and compatibility of financial systems; improved timeliness, consistency, accuracy, and reliability of financial information; elimination of unnecessary duplication of recordkeeping; better processes for reconciliation and data access; and improved methods and procedures for accountability and performance measurement.

Nature of Change. At the National Finance Center, reductions are taken in all expense categories in an effort to reduce administrative costs. Exceptions are cost estimates for GSA space, for which increases are necessary to comply with requirements to reimburse GSA at the full space utilization rate for space occupied, and the need to purchase new and replacement equipment. Reductions assume no increases in service workload, no system/service improvements, and no new system/service initiatives.

Cost increases in FY 1995 for FISVIS represent support for financial information system software development and implementation.

Streamlining of operations in these activities will be accomplished by suspending system/service improvements, postponing or cancelling new service/system initiatives, and suspension of requests for increases in services volumes. Labor costs will be reduced through a reduction of 55 FTEs from the FY 1994 level at the National Finance Center.

(4) A net increase of \$2,833,000 for recurring operations of ADP systems consisting of:

NCC/Mainframe	+\$2,491,000
NCC/Network Management Services	+355,000
NCC/Applications Design	+19,000
Computer Services Unit	-73,000
Telephone Service Operations	+52,000
Local Area Network	<u>-11,000</u>
Total	<u>+ \$2,833,000</u>

Need for Change. ADP hardware and software costs are the principal reasons for ADP system cost increases. Users' increasing need for telecommunications and mainframe ADP support services require improvements in technological and management efficiency. There are offsetting reductions taken in all activities to support efforts to reduce costs for administrative efficiencies and a reduction in Federal employment.



**Nature of Change.** Increases in mainframe ADP services reflect increases in lease costs for ADP hardware and software. In Network Management Services, cost increases reflect depreciation costs associated with approved capital acquisitions. Local Area Network will incur costs in support of an upgrade of the Departmental network to improve access by users to the system and compatibility with the increasing number of user-managed networks. Telephone Service Operation cost increases are the result of the need to purchase new and replacement equipment. Most of the increases assume no increases in workload, no system/service improvements, and no new system/service initiatives. This is the result of reductions taken in all expense categories in all activity centers to support efforts to reduce costs of administrative services. Streamlining of operations in these activities will be accomplished by suspending system/service improvements, postponing or cancelling new service/system initiatives, and suspension of requests for increases in services volumes. Labor costs will be reduced through a reduction of 1 FTE from the FY 1994 level.

(5) An expenditure of \$20,800,000 for capital acquisitions in FY 1995 (\$20,454,000 in FY 1994):

(a) Capital acquisitions for Supply and Other Central Services of \$948,000.

Central Supply Stores	\$0
Central Supply Forms	30,000
Central Excess Property	0
Central Shipping and Receiving	0
Central Imprest Fund	0
Agriculture Contract Automation System	0
Central Mail Unit	15,000
Duplicating Unit	8,000
Copier Service	825,000
Departmental Mailing List	0
Office of the Executive Secretariat	70,000
Training Center	0
Total	<u>\$948,000</u>

**Need for Change.** All expenditures will be in mail and reproduction management services, forms warehousing, and executive correspondence management and tracking.

**Nature of Change.** Acquisitions in mail and reproduction management services will replace old equipment (some items as much as 10 years old), taking advantage of newer technology in mail distribution, large and medium volume copiers, and duplicating equipment. Acquisitions will assist these centers in responding to expected demand for such services. The Office of the Executive Secretariat will procure equipment to replace aging personal computers and printers in an effort to improve tracking of executive correspondence.

(b) Capital acquisitions for Video and Teleconferencing, and Visual Design Services of \$255,000.

Video and Teleconferencing Services	\$205,000
Visual Design Services	<u>50,000</u>
Total	<u>\$255,000</u>

**Need for Change.** Most of the FY 1995 amount is in response to the need to improve the quality and reliability of services in video and teleconferencing services. Design services will realize improvements in production and graphics capabilities through its procurements.

**Nature of Change.** Acquisitions in video and teleconferencing services include video editing and mastering equipment to improve the quality of video images and speed of assembly of finished video features. Further, production equipment upgrades will improve the quality and reliability of service to HSDA agencies. Design Center purchases will replace outmoded, unreliable equipment and improve the quality of its services.

(c) Capital acquisitions for Finance and Management of \$11,233,000.

National Finance Center	\$11,233,000
Financial Information Systems	0
Total	<u>\$11,233,000</u>

Need for Change. Purchases are needed for CPU upgrades to respond to increases in service demand, improve data telecommunications capabilities, and other ADP-related needs.

Nature of Change. Upgrading mainframe computer operations (CPU upgrade, associated software improvements) to respond to expected demand and avoid service interruptions will make up about half of total acquisitions. The remainder will be spent on peripheral, file library robotics, network integrated mailing/printing, and other ADP-related equipment.

(d) Capital acquisitions for ADP Services of \$8,364,000.

NCC/Mainframe	\$5,073,000
NCC/Network Management Services	1,402,000
NCC/Applications Design	38,000
Computer Services Unit	70,000
Telephone Service Operations	111,000
Local Area Network	<u>1,670,000</u>
Total	<u>\$8,364,000</u>

Need for Change. Most of the FY 1995 amount (61 percent) will be devoted to mainframe computer services. Acquisitions in ADP Services will address mainframe equipment and support needs, personal computer and network equipment needs, and telecommunications support requirements.

Nature of Change. Mainframe computer and system operations will benefit from software acquisitions and direct access storage device equipment acquisitions, allowing users improved direct data access and more effective software applications use. Telecommunications and teleconferencing services will also be improved through related equipment acquisitions, allowing users to take advantage of enhancements in network and data communications technologies. The Local Area Network deserves special mention in that the amount is for acquisitions related to a major system upgrade ("intelligent hubs") that will improve user access to the Departmental network and enhance compatibility between the Departmental network and user-operated local area networks.

WORKING CAPITAL FUND  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995

	1993		1994		1995	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Colorado . . . . .	\$7,272,000	51	\$9,172,000	74	\$10,583,000	77
Washington, D.C. . . . .	20,114,000	204	26,223,000	209	29,008,000	204
Louisiana . . . . .	112,271,000	1,527	125,459,000	1,498	122,536,000	1,443
Maryland . . . . .	8,251,000	48	8,956,000	51	8,764,000	50
Missouri . . . . .	34,978,000	139	37,728,000	131	39,459,000	127
Total Available or Estimate . . . . .	<u>182,886,000</u>	<u>1,969</u>	<u>207,538,000</u>	<u>1,963</u>	<u>210,350,000</u>	<u>1,901</u>

## WORKING CAPITAL FUND

STATUS OF PROGRAM

Current activities and selected examples of recent progress are outlined below:

SUPPLY AND OTHER CENTRAL SERVICESCurrent Activities:

Activity centers in this area managed by the Office of Operations (OO) continue to aggressively implement management reforms to hold down costs. Ongoing efforts are focused on two principal areas -- improvements in warehouse management and automated inventory management. Warehousing activities of Central Supply-Stores (except self-service store), Central Supply-Forms, and Central Excess Property Operation are physically consolidated at a single facility in Landover, Maryland. This holds down administrative support costs of these operations. Also, automation of the physical inventory for these activity centers provides a more accurate accounting and inventory of the stock items on hand in the warehouse facility. The Office of the Executive Secretariat (OES) was established in FY 1992 to improve the efficiency and effectiveness of executive correspondence management. It is continuing to improve the automation of correspondence management functions so that USDA can respond more effectively to inquiries and the information needs of the agricultural community. The USDA Training Center was approved by the Director of the Office of Management and Budget as a WCF activity (required under 7 U.S.C. 2235) in January 1993. It provides facilities and materials for training of Washington D.C. metropolitan area personnel.

Selected Examples of Recent Progress:

1. The enhanced version of the software applications used by the Agriculture Contract Automation System has been tested and accepted. When released (first quarter, FY 1994), it will bring the system up to date with current technology, it will have local area network capability, it will have the capacity to be integrated with Windows, and it will have faster response time and be more user-friendly.
2. Copier Service has expanded services to agencies in eight locations outside of the immediate downtown D.C. buildings complex.
3. Reviews of copier volumes and equipment capabilities have resulted in relocations of equipment to improve utilization and achieve significant savings in copier maintenance costs.
4. Supported Departmental initiatives to use recycled materials by using recycled paper in all copier equipment.
5. Began an update of the Office of the Executive Secretariat procedures manual to reflect preferences of the Secretary, strengths and weaknesses of the USDA system and those of other departments and agencies.

VIDEO AND TELECONFERENCING & VISUAL DESIGN SERVICESCurrent Activities:

Taking advantage of current technologies in desktop publishing and computer graphics remain two of the most rapidly expanding areas in visual design. Upgrading capabilities in these areas is a primary focus in Design Center. These technologies greatly enhance services in support of conferences, seminars, hearings, public meetings, interagency programs, and the like.

Expansion in teleconferencing service and applications of current video production technologies afford users promising cost efficiencies. These strategies allow users to avoid higher costs of travel while maintaining contact between agency headquarters offices and field offices, agricultural program clients, and the general public.

Selected Examples of Recent Progress:

1. The Video and Teleconferencing Division earned several recognitions for outstanding video production work:

- Council for International Non-Theatrical Events (CINE)/Golden Eagle Award for the USDA video titled, "Living with Wildlife," which reviews animal damage control approaches addressing the problem of wild animals and humans living in close proximity to each other.
- Columbus Film Video Festival/Honorable Mention awards were earned for two videos: "The Biggest Barrier" about handicapped access to the workplace, and "America 2000," concerning the potential threat to America's food supply by illegal importation of plant and food products.
- International Television Association (ITVA)/Special Merit Award for "America 2000."

2. The Video and Teleconferencing staff engineered eight hours of live coverage of "Outlook '93" agricultural outlook conference via direct feed to satellite so that participants in all 50 states could watch key presentations as they were made. All outlook sessions were carried live over the internal USDA video network.

3. Other satellite video conferences and telecasts included:

- Meeting of Vice President Al Gore and Secretary Mike Espy with USDA employees on April 7, 1993. The meeting was telecast live via satellite for national viewing by field staff, media, and others. Live comments from four sites around the nation were included in the telecast through a two-way audio link.
- Farmers Home Administration teleconference on August 12, 1993. A total of 6,245 participants viewed the training event about key provisions of the Certified Lender Program. Participants viewed this live-via-satellite training at 178 downlinking sites throughout the nation.
- Meeting of Secretary Mike Espy and USDA employees to discuss Departmental streamlining efforts. This meeting was linked by satellite for simultaneous viewing by USDA staff and media throughout the nation.
- The Video and Teleconferencing Division handled 2,515 audio conferences for USDA agencies and staff offices in FISCAL YEAR 1993. This is an increase of almost 500 conferences over last year's totals.

#### NATIONAL FINANCE CENTER

##### Current Activities:

Efforts are continuing to integrate many National Finance Center (NFC) administrative and financial management systems as part of USDA's "Modern Administrative Processing (MAP)" strategy. The Department's MAP Program Office works closely with the NFC to implement the MAP strategy and to develop and bring on-line financial and administrative systems to benefit all USDA agencies. Simplified access and operation for agency users will mean improved service, enhanced system efficiency, and lower cost. The Financial Information Systems Vision and Strategy (FISVIS) project has been established to integrate, coordinate, and improve financial systems across the Department.

##### Selected Examples of Recent Progress:

1. NFC conducted a semiannual disaster recovery test at the Sungard Recovery Operations Center in Philadelphia, Pa. The objectives were to test and validate recovery procedures and backups for the Thrift Savings Plan System and the payroll/personnel System.
2. NFC completed a business process analysis of the Consolidated Review Program (CRP) that was used in the past to ensure compliance with OMB Circulars A-123, A-127, and A-130. The review recommended that existing CRP procedures be replaced with ongoing reviews that tie in with the Management Controls Manual that has been developed. An action plan to implement these recommendations is being developed.
3. As of October 1, 1993, 83 agencies had signed agreements to use the Direct Premium Remittance System. NFC processed 1,093 spouse equity accounts and 17,117 temporary continuations in the Month of September.



4. Experienced increases among USDA agencies in use of Direct Deposit/Electronic Funds Transfer. From September 1992 to September 1993, participation increased from 71 percent to 75 percent.

#### AUTOMATED DATA PROCESSING SERVICES

##### Current Activities:

In a constantly changing technological and management environment for ADP services, the Office of Information Resources Management (OIRM) continues to adapt itself to meet users changing needs. The mainframe operations, telecommunications support, and applications design services under its umbrella National Computer Center structure continue to provide users with a comprehensive range of ADP operations, consultation, and training services. The result has been a decrease in unit costs of service for ADP activities managed with WCF support by OIRM.

##### Selected Examples of Recent Progress:

1. The Telephone Service Operations Directory Locator System was enhanced by installation of an electronic call distributor to process incoming calls in a more timely and efficient manner, the addition of a second locator operator to handle more locator calls and reduce waiting time, and upgraded automated systems.
2. Identified and eliminated excess telephone line inventory through the effective use of advanced telephone systems and close scrutiny of agency inventories.
3. Completed several enhancements to the Departmental voice mail network, including:
  - Technical upgrade to network with subscribers in Rosslyn, Virginia; and Atlanta, Georgia.
  - Reduction of 50 percent in the guest service mailbox rate for local service.
  - Integrated more sites with the Departmental voice mail system. The Park Office center (Alexandria, Virginia) has been successfully integrated, and capital procurement money has been expended to purchase equipment for implementation of integrated voice mail service for offices at the New York Avenue (Washington, D.C.) location.
4. Completed classroom training for 462 USDA agency personnel and provided one-on-one local area network training for USDA executives.
5. The Local Area Network office network control console operators serviced 2,370 requests from Departmental LAN users.
6. The National Computer Center completed Phase 1 of the Plant Evaluation Automation System.
7. Worked with the Soil Conservation Service to develop a system to track review processes. A process to develop interim reports was completed. Work will continue with SCS to develop a permanent solution.
8. The National Computer Center completed acceptance testing for various components of the Timber Sales and Accounting System. Initial review processes were completed for other enhancements for this system.
9. Implemented the Weather Information Management System (WIMS) in April 1993. In the third quarter, WIMS was receiving approximately 10,000 observations daily from the Earth station in Boise, Idaho. Also, more than 830,000 weather observations, 116,000 nation fire danger rating calculations, and 11,000 forecasted weather observations were recorded.
10. A "hot site" exercise of disaster recovery plans was conducted on June 21, 1993. This effort demonstrated National Computer Center ability to recover multiple logical partitions and gave customer agencies an opportunity to test their respective backup and recovery procedures.

AGRICULTURE BUILDINGS AND FACILITIES  
CLASSIFICATION BY OBJECTS  
1993 and Estimated 1994 and 1995

Personnel Compensation:		<u>1993</u>	<u>1994</u>	<u>1995</u>
Headquarters. . . . .		\$3,711,087	\$4,492,000	\$4,533,000
11 Total personnel compensation . . . . .		3,711,087	4,492,000	4,533,000
12 Personnel benefits . . . . .		693,427	809,000	817,000
13 Benefits for former personnel. . . . .		<u>1,943</u>	<u>4,000</u>	<u>4,000</u>
Total pers. comp. & benefits . . . . .		4,406,457	5,305,000	5,354,000
Other Objects:				
21 Travel . . . . .		19,658	25,000	26,000
22 Transportation of things . . . . .		3,216	5,000	5,000
23.1 Rental payments to GSA . . . . .		45,122,249	84,645,000	85,303,000
23.3 Communications, utilities and miscellaneous charges . . . . .		5,301,261	5,439,000	5,397,000
24 Printing . . . . .		35,457	35,000	36,000
25.2 Other services . . . . .		19,372,415	38,503,000	20,918,000
26 Supplies and materials . . . . .		574,009	629,000	621,000
31 Equipment . . . . .		621,489	420,000	416,000
32 Land and Structures . . . . .		<u>176,705</u>	<u>143,000</u>	<u>20,727,000</u>
Total other objects . . . . .		71,226,459	129,844,000	133,449,000
Total direct obligations		<u>75,632,916</u>	<u>135,149,000</u>	<u>138,803,000</u>
<u>Position Data:</u>				
Average Salary, GM/GS positions . . . . .		\$40,777	\$41,246	\$42,560
Average Grade, GM/GS positions . . . . .		10.42	10.67	10.71

## AGRICULTURE BUILDINGS AND FACILITIES

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Agriculture Buildings and Facilities:[Rental Payments (USDA)]

1 For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Department of Agriculture which are included in this Act, [\$135,503,000], \$108,981,000 of which [\$30,804,000] \$18,678,000 shall be retained by the Department for the operation, maintenance, and repair of Agriculture buildings [and for non-recurring repairs as determined by the Department of Agriculture, and an additional \$19,700,000 shall be retained by the Department of Agriculture for renovation and repair of facilities at the Beltsville Agricultural Research Center]: Provided, That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 per centum of the funds made available for space rental and related costs to or from this account.

2 In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, \$29,822,000 to remain available until expended, making a total appropriation of \$138,803,000.

The first change eliminates language that allows USDA to retain funds for non-recurring repairs. Funding for these repairs will no longer be required if the strategic space plan is implemented. It also proposes deletion of the language included in the FY 1994 Act, authorizing renovation and repair of facilities at Beltsville Agricultural Research Center.

The second change includes language for construction of new space, repairs and alteration of existing space, purchase of fixed equipment, and operation of facilities for the Department of Agriculture.

## AGRICULTURE BUILDINGS AND FACILITIES

Appropriations Act, 1994 . . . . .	\$135,503,000
Budget Estimate, 1995. . . . .	138,803,000
Increase in Appropriation . . . . .	<u>+3,300,000</u>

## Adjustments in 1994:

Appropriations Act, 1994 . . . . .	\$135,503,000	
Funds transferred to other agencies for leases transferred from GSA and moves out of GSA space 1/ . . . . .	<u>-354,007</u>	
Adjusted Base for 1994 . . . . .		135,148,993
Budget Estimate, 1995. . . . .		138,803,000
Increase over adjusted 1994 . . . . .		<u>+3,654,007</u>

1/ Transfers to other agencies are: Soil Conservation Service (\$245,467) and the National Agricultural Statistics Service (\$108,540).

SUMMARY OF INCREASES AND DECREASES

(On basis of adjusted appropriation)

Item of Change	1994		Other Changes	1995 Estimated
	Estimated	Pay Cost		
Rental Payments to GSA . . . . .	\$84,644,993	--	+\$5,658,007	\$90,303,000
BARC Modernization . . . . .	19,700,000	--	-19,700,000	--
Building Operations and Maintenance . . . . .	30,804,000	+\$49,000	-12,175,000	18,678,000
Strategic Space Plan . . . . .	--	--	+29,822,000	29,822,000
Total Available . . . . .	<u>135,148,993</u>	<u>+49,000</u>	<u>+3,605,007</u>	<u>138,803,000</u>

## PROJECT STATEMENT

(On basis of adjusted appropriation)

Item of Change	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
1. Rental Payments . . . . .	\$49,932,916	--	\$84,644,993	--	+\$5,658,007	\$90,303,000	--
2. BARC Modernization . . . . .	--	--	19,700,000	--	-19,700,000	--	--
3. Building Operations & Maintenance . . . . .	25,656,396	86	30,804,000	87	-12,126,000	18,678,000	84
4. Strategic Space Plan . . . . .	--	--	--	--	+29,822,000	29,822,000	--
Unobligated balance . . . . .	43,604						
Total, available or estimate . . . . .	75,632,916	86	135,148,993	87	3,654,007(1)	138,803,000	84
Transfer to:							
SCS . . . . .	413,450	--	245,467	--			
FmHA . . . . .	110,489	--	--	--			
NASS . . . . .	46,145	--	108,540	--			
Total, Transfers . . . . .	+570,084	--	+354,007	--			
Total, Appropriation . . . . .	<u>76,203,000</u>	86	<u>135,503,000</u>	87			



EXPLANATION OF PROGRAM

This appropriation provides funding for the following activities:

Rental Payments to GSA. The fiscal year 1983 Agriculture Appropriations Act (P.L. 97-370) consolidated most of the Department's rental payments to the General Services Administration (GSA) into a single appropriation. This activity does not provide funding to cover space costs incurred in other funding areas such as trust funds, the Working Capital Fund, and other non-appropriated funds. The amount in this account represents the appropriated portion of the total Departmental charges for rent payments to the GSA for all agencies and staff offices of the Department except the Forest Service.

Beltsville Agricultural Research Center Modernization. The Beltsville Agricultural Research Center (BARC), established in 1910 in Beltsville, Maryland, is the Agricultural Research Service's (ARS) largest laboratory. About 77 percent of BARC's laboratory space was built before 1943, making it more than 50 years old. In 1988, ARS proposed a 10-year program to modernize BARC's laboratory facilities. The Modernization Program will renovate many of BARC's original buildings and cluster related research programs in larger laboratory buildings to encourage increased interactions between researchers. The 1994 appropriation will enable ARS to continue the vigorous implementation of the BARC modernization plan. Prior to FY 1994, Congress provided funding for BARC's renovation in the ARS Buildings and Facilities Appropriation.

Building Operations and Maintenance. On October 1, 1984, GSA delegated the operations and maintenance functions for the buildings in the D.C. complex to the Department. This activity provides Departmental staff and support services to operate, maintain, and repair the buildings in the D.C. complex. In addition, the appropriation provides for the retention of funds by USDA for non-recurring repairs. GSA retains responsibility for major non-recurring repairs. Since 1989 when the GSA delegation expired, USDA has been responsible for managing, operating, maintaining, repairing, and improving the Headquarters Complex, which encompasses 14.1 acres of ground and 4 buildings containing approximately 3 million square feet of space occupied by approximately 8,000 employees.

Strategic Space Plan. The U.S. Department of Agriculture (USDA) Headquarters staff is presently housed in a four-building government-owned complex in downtown Washington, D.C. and in leased buildings in the metropolitan Washington area. A plan is being developed to improve the delivery of USDA programs to the American people, including streamlining the USDA organization. A high priority goal in the Secretary's plan is to improve the operation and effectiveness of the USDA Headquarters in Washington. To implement this goal, a strategy for efficient re-allocation of space to house the restructured Headquarters agencies in modern and safe facilities has been proposed. This USDA Strategic Space Plan will correct serious problems USDA has faced in its facility program, including the inefficiencies of operating out of scattered leased facilities and serious safety hazards which exist in the huge Agriculture South Building.

JUSTIFICATION OF INCREASES AND DECREASES(1) A net increase of \$3,654,007 composed of the following:(a) A net increase of \$5,658,007 in rental payments.

Need for Change. In fiscal year 1995, the Department will assume enhanced management of its Headquarters Complex, including both the day-to-day management of the facility and the responsibility for non-recurring repairs in major renovation and construction as needed. This is in keeping with the National Performance Review recommendation that GSA "empower" Federal agencies "to choose among competing real estate management enterprises...." Since USDA will be assuming responsibility for major repairs and renovations, its rental payment to the GSA will not include payment for these buildings. However, estimated rental payments for all other USDA facilities are being fully funded.

Nature of Change. This increase would allow USDA to pay GSA 100 percent of the cost of rent and related services for its space inventory. The request would fund non-Headquarters Complex space in the Washington Metropolitan Area (\$32,825,000) and other leased space nationwide (\$57,478,000).

(b) A reduction of \$19,700,000 for renovation and repair at the Beltsville Agricultural Research Center.

Need for Change. The request for fiscal year 1995 eliminates \$19,700,000 appropriated in fiscal 1994 for renovation and repair of facilities of the Beltsville Agricultural Research Center. The

Congress added language to the fiscal 1994 appropriation that permitted USDA to retain funds for this purpose, thereby insuring that the ARS laboratory modernization program at Beltsville would continue without serious unplanned disruptions to other ongoing USDA programs. In fiscal year 1995, funding for laboratory modernization has been proposed in the ARS Buildings and Facilities Appropriation, which funded the modernization program prior to fiscal year 1994.

**Nature of Change.** Funding provided in fiscal year 1994 is no longer needed in this appropriation for the Beltsville Agricultural Research Center modernization program.

(c) **A net decrease of \$12,126,000 for building operations and maintenance composed of the following:**

(1) **An increase of \$49,000 for pay increases.**

(2) **An increase of \$64,000 for promotions, within grades, and increases in benefits.**

**Need for Change.** Funds are requested for pay-related increases: Specifically, \$29,000 for promotions and within grades, and \$35,000 for increases in worker's compensation and the Federal Employee Retirement System (FERS). These increases will provide for pay-related increases without reducing funds for essential services, such as lighting, heating, and cooling.

**Nature of Change.** This increase will cover increased pay and benefits costs.

(3) **An increase of \$534,000 for operating cost increases.**

**Need for Change.** This increase is necessary to meet rising costs for operating and maintaining the Headquarters Complex.

**Nature of Change.** These funds will cover increases associated with utility contracts for steam, chilled water, and electricity, as well as architectural and design contracts. This increase will also cover operating cost increases associated with providing central Departmental services, such as mail delivery, central supplies, and NFC services.

(4) **An increase of \$457,000 for the Fair Labor and Service Contract Acts.**

**Need for Change.** The increase will cover yearly pricing adjustments required by the Fair Labor Standards Act and the Services Contract Act, as well as other costs that will increase when building operations and maintenance contracts are renewed.

**Nature of Change.** This increase will be used in payment of contracts for service and will permit continuation of the fiscal year 1994 level of activity for USDA occupied space in the Washington, D.C. complex.

(5) **A decrease of \$834,000 for administrative efficiency.**

**Need for Change.** In support of the Secretary's streamlining efforts and the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline, budget authority is reduced by \$834,000.

**Nature of Change.** In order to achieve these savings, this activity will reduce discretionary expenses by \$834,000 in the FY 1995, in areas such as travel and transportation of persons, communications, utilities, printing and reproduction services, contracts for equipment maintenance, training, other services, supplies, and equipment purchases.

(6) **A decrease of \$101,000 for a reduction in Federal employment costs.**

**Need for Change.** In support of the Secretary's streamlining efforts and the President's Executive Order mandating a reduction in Federal employment, this activity is reducing employment from the FY 1993 base by 3 per cent.

**Nature of Change.** To achieve the reduction, this activity will streamline its operations. The total reduction in personnel costs amounts to \$101,000.

(7) A decrease of \$12,295,000 for deferred building repairs and replacements.

**Need for Change.** The South Building Modernization will restore or replace structures and systems in the South Building. Repairs and replacements previously scheduled for fiscal year 1995 will be incorporated into the modernization plan.

**Nature of Change.** Service contract, repair, and project costs will be reduced.

(d) An increase of \$29,822,000 for the strategic space plan consists of:(1) An increase of \$20,587,000 to construct an office facility at the Agricultural Research Center at Beltsville, Maryland.

**Need for Change.** USDA staff is housed in a four building complex in downtown Washington, D.C., and in numerous leased buildings throughout the metropolitan area. Constructing an office complex on USDA-owned land will allow consolidation of agencies currently occupying leased space and facilitate both the Secretary's reorganization plan and the Department's efforts to streamline.

It has been determined that if the Beltsville facility is started in fiscal year 1995, the process of modernizing the South Building could be started by relocating a group of agencies out of the South Building and leased buildings, and consolidating them into the Beltsville facility. The Beltsville facility would consist of about 350,000 gross square feet of space. The number of buildings would be determined based on the size and space requirements of the agencies to be consolidated into the Beltsville facility. At an estimated two-year construction cost of \$40,587,000, the construction will have paid for itself within five years due to avoidance of leasing costs for temporary housing and leased space. By construction of the office complex at Beltsville and the renovation of the South Building, USDA will be able to eliminate its need for leased office space in the Washington Metropolitan Area. It is estimated that when both projects are completed USDA will save over \$39,000,000 each year in rent for leased space.

**Nature of Change.** The requested funding will be used for site selection, planning, design, construction, and other necessary expenses of the office facility and will remain available until expended.

(2) An increase of \$9,235,000 to design a modernization program for the South Building.

**Need for Change.** The South Building is over 50 years old and is in dire need of repair and rejuvenation to make it safe, efficient, and functional. As the building continues to age, operations, repair, and maintenance costs are increasing, as is the likelihood of a major systems failure. Modernization is essential to avoid the accelerated deterioration of the building and its major building systems. The modernization will eliminate life safety problems, air quality problems, and accessibility violations. These system improvements include a new fire alarm system, fire safety zones, protected egress corridors, protected air return systems, upgraded electrical systems in compliance with codes, and air quality control systems. It also will ensure that power and telecommunications systems can support current and future technological advances in automated data processing systems. A modernization plan has been developed to provide a safe, dependable, cost-effective facility that will provide space for USDA programs into the next century. Modernization will allow USDA to consolidate an additional 1,800 employees into the facility which will eliminate the need for leased space in compliance with the Secretary's goal to consolidate and streamline USDA at two locations. The plan calls for implementing a renovation program over seven phases. Phase I of the South Building modernization program in fiscal year 1996 includes relocation and renovation and is based on completion of the Beltsville facility.

**Nature of Change.** Contracts will be awarded to obtain the necessary concept design for the entire project and complete design for the first phase of the renovation. The requested funding for this modernization program is to remain available until expended.

**GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS**  
**1993 and Estimated 1994 and 1995**

	<u>1993</u>		<u>1994</u>		<u>1995</u>	
	<u>Amount</u>	<u>Staff</u>	<u>Amount</u>	<u>Staff</u>	<u>Amount</u>	<u>Staff</u>
		<u>Years</u>		<u>Years</u>		<u>Years</u>
Washington, D.C.	\$75,589,312	86	\$135,148,993	87	\$138,803,000	84
Unobligated balance	43,604	--	--	--	--	--
Total Available or Estimate . . . . .	<u>\$75,632,916</u>	<u>86</u>	<u>\$135,148,993</u>	<u>87</u>	<u>\$138,803,000</u>	<u>84</u>



## STATUS OF PROGRAM

RENTAL PAYMENTS TO GSA

This account was established by the Agriculture, Rural Development and Related Agencies Appropriations Act of 1983 to finance the appropriated portion of the payment of the General Services Administration's fees for rental of leased space and related services to all USDA agencies except the Forest Service, which is funded in another appropriations bill.

Current Activities and Recent Progress:

1. GSA Controlled Space. USDA occupies nearly 4 million square feet in 18 leased buildings and 4 owned buildings in the Washington Metropolitan area. The Department is developing a Long Range Strategic Space Plan designed to reduce agency fragmentation and duplication of administrative support requirements. The plan will also include a reduction in GSA leased space that coincides with staffing reductions required by the President's Government Downsizing Initiative.

2. Beltsville Agricultural Research Center Modernization, \$19.7 million. The Beltsville Agricultural Research Center (BARC), established in 1910 in Beltsville, Maryland, is the Agricultural Research Service's (ARS) largest laboratory. About 77 percent of BARC's laboratory space was built before 1943, making it more than 50 years old. In 1988, ARS proposed a 10-year program to modernize BARC's laboratory facilities. The Modernization Program will renovate many of BARC's original buildings and cluster related research programs in larger laboratory buildings to encourage increased interactions between researchers. The 1994 appropriation will enable ARS to continue the vigorous implementation of the BARC modernization plan. The following projects will be undertaken with the funds made available in fiscal year 1994:

- Renovation of Building 001 - This building, when renovated, will house three laboratories currently located in separate buildings --- the Pesticide Degradation Laboratory, the Soil Microbial Systems Laboratory, and the Weed Science Laboratory.
- Upgrade of the BARC-West Electrical Distribution System.
- Upgrade of the BARC-East Water Distribution System.
- Planning and design of new Animal Parasitology Institute and renovation of Building 004.

BUILDING OPERATIONS AND MAINTENANCE

Since October 1, 1984, USDA has maintained and operated the Washington, D.C. Headquarters Complex. The four building complex, which is located on the south side of the mall, is composed of historic buildings varying in age from 57 to 114 years. The complex is the focal point for carrying out USDA's mission.

Because these facilities were allowed to deteriorate under previous management strategies and funding limitations prior to fiscal year 1985, USDA began a maintenance program to repair, improve, and restore the facilities. During fiscal year 1993, approximately \$12.3 million of USDA funds were used for repairs and improvements. \$5.3 million for utilities, \$3.7 million for cleaning and maintenance, and \$9.4 million for support activities. A major effort was undertaken to upgrade mechanical and electrical systems, improve environmental quality, and conserve energy. In fiscal year 1994, USDA will continue implementing its plan to correct the serious building deterioration. This effort will maintain or restore the integrity of the buildings in the Headquarters complex, and keep them safe and operational until the proposed major renovation of the South Building is undertaken and accomplished.

USDA also has continued the development of a plan to consolidate agencies which are currently occupying expensive leased space in the Washington, D.C. area. This plan combines the proposed renovation of the South Building with the construction of a new office complex on government-owned land in Beltsville, Maryland. The plan would provide the framework for improving the operations of the Department, reducing operating and rental costs, and more effectively serving the American people.

### Current Activities and Recent Progress:

1. Window Restoration. USDA is continuing its program to restore approximately 4,600 windows in the South Building that had been allowed to deteriorate over 50 years. Between fiscal years 1988 and 1992, all the windows on the main facades and the windows in Courts 1, 2, and 4 were restored. In fiscal year 1993 a contract to restore the windows in Court 5 was awarded. The restoration of Court 3 is planned for award in fiscal year 1994 and Court 6 will be planned in fiscal year 1994 or 1995 depending on available funds. The restoration of the windows in the Administration Building was awarded in fiscal year 1992 and is currently under construction with completion scheduled in late 1994.
2. Environmental Quality Program. The safety and health of the occupants of the Headquarters complex is a major concern. Activities in the area of environmental safety and health include:
  - (a) Asbestos Abatement. Under the continuing asbestos abatement program, a major contract to abate asbestos in the South Building, Phase V, was awarded in fiscal year 1993.
  - (b) Air Quality. An \$865,000 contract to upgrade the air quality in a portion of the South Building was awarded in fiscal year 1993. This project cleaned the room induction units and air handlers on the southern exposure of the South Building. A contract was also awarded for the Annex Building, at a cost of \$78,900. This project upgraded the air handling filtration system.
  - (c) Drinking Water System. A contract was awarded to replace an old drinking water chiller and deteriorated water piping serving the South Building, at a cost of \$294,600.
  - (d) CFC Modifications. In response to the Clean Air Act and the Montreal Protocol, USDA awarded a contract for \$134,210 to modify various mechanical equipment rooms to accommodate substitute refrigerants being used to replace chloro-flouro-carbon (CFC) type refrigerants.
3. Electrical Improvements. In fiscal year 1993, the replacement of network protectors in all transformer vaults in the complex was completed, as was the switchgear replacement in vaults 4 and 5. Contracts awarded for electrical system improvement included emergency lights in the South Building, and the upgrade of switchgear vaults 2 and 17. Each of these projects replaces antiquated equipment, increases reliability of the electrical system, and corrects fire safety hazards.
4. Energy Conservation. In fiscal year 1993 a proto-type project for replacement of corridor lights in the Administration Building with energy efficient lights was completed. Contracts were awarded in fiscal year 1993 to replace all of the office lighting in the Administration Building, and in Phase I of the South Building, which includes wing 6.

## ADVISORY COMMITTEES

Purpose Statement

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. The Assistant Secretary for Administration is the principal Department Officer responsible for performing functions and coordinating activities of the Act.

The Agriculture, Rural Development and Related Agencies Appropriations Act of 1983 consolidated all USDA advisory committee funds, except those in the Forest Service and those paid from user fees, in a single appropriation.

## ADVISORY COMMITTEES

Available Funds and Staff-Years  
1993 Actual and Estimated 1994 and 1995

Item	1993 Actual		1994 Estimated		1995 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
USDA Advisory Committees . .	\$952,000	--	\$940,000	--	\$977,000	--
Total, Advisory Committees . .	952,000	--	940,000	--	977,000	--

CLASSIFICATION BY OBJECTS  
1993 and Estimated 1994 and 1995

Personnel Compensation: a/	1993	1994	1995
11 Total personnel compensation . . . . .	\$427,307	\$475,000	\$485,000
12 Personnel benefits . . . . .	86,961	99,000	101,000
Total pers. comp. & benefits . . . . .	514,268	574,000	586,000
Other Objects:			
21 Travel . . . . .	254,457	214,000	216,000
22 Transportation of things . . . . .	4,396	1,000	1,000
23.3 Communications, utilities and miscellaneous charges . . . . .	16,698	10,000	10,000
24 Printing . . . . .	27,952	30,000	31,000
25.3 Purchase of goods and services from other government accounts . . . . .	60,568	94,000	115,000
26 Supplies and materials . . . . .	5,794	16,000	17,000
31 Equipment . . . . .	12,173	1,000	1,000
Total other objects . . . . .	382,038	366,000	391,000
Total direct obligations . . . . .	896,306	940,000	977,000

a/ USDA agencies are allowed under the Advisory Committee Act to obligate funds for portions of salaries and benefits for staff-time devoted to the support of these committees.



## ADVISORY COMMITTEES

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Advisory Committees:

For necessary expenses for activities of advisory committees of the Department of Agriculture which are included in this Act, [~~\$940,000~~] \$977,000: Provided, that no other funds appropriated to the Department [of Agriculture] in this Act shall be available to the Department [of Agriculture] for support of activities of advisory committees: Provided that amounts provided under this head and provided to the Forest Service may be used for the expenses of the Forestry Research Advisory Council.

This change allows the Department of Interior to participate in cost sharing for the Forestry Research Advisory Committee. This is a Cooperative State Research Service (CSRS) committee which advises the Secretary on the Cooperative Forestry Research program and the Forest Service (FS) research program. The charter allows for CSRS and FS to provide support to the Council. However, Forest Service can only pay the travel expenses of the two Forest Service members. This is based on General Provision 611 in the Treasury, Postal Service, and General Government Appropriations Act of 1994, which states that no part of an appropriations act is available for interagency financing of boards, commissions, or committees which do not have prior specific approval for interagency funding.

## ADVISORY COMMITTEES

Appropriations Act, 1994. . . . .	\$940,000
Budget Estimate, 1995. . . . .	977,000
Increase in Appropriation . . . . .	<u>+37,000</u>

**SUMMARY OF INCREASES AND DECREASES**  
(on basis of appropriation)

Item of Change	1994 Estimated	Pay Cost	Other Changes	1995 Estimated
USDA Advisory Committees	\$940,000	--	+\$37,000	\$977,000

**PROJECT STATEMENT**  
(On basis of appropriation)

Item of Change	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Advisory Committees . . . . .	\$896,306	--	\$940,000	--	+\$37,000	\$977,000	--
Unobligated Balance . . . . .	55,694	--	--	--	--	--	--
Total, Appropriation	952,000	--	940,000	--	+37,000(1)	977,000	--

## EXPLANATION OF PROGRAM

The appropriation provides for financial support of all authorized Department of Agriculture advisory committee activities other than those included in the Forest Service or financed by user fees or other funds. The FY 1983 Agriculture, Rural Development and Related Agencies Appropriations Act provided a consolidated account for this purpose.

The Federal Advisory Committee Act (P.L. 92-463) was passed in 1972 to recognize that committees and similar groups provide a useful and beneficial means of furnishing expert advice to officers of the Federal Government. In establishing the Act, Congress declared that: committees should be restricted in number to only those essential to provide the necessary expert advice in specialty areas; uniform standards and procedures should govern the establishment, operation, administration and duration of the committees; and Congress should be kept informed of the number and cost of committees.

During fiscal year 1993, two statutory committees, the President's Council on Rural America and the Advisory Committee on Welfare Simplification and Coordination, completed their purpose and were terminated. During fiscal year 1994, in response to Executive Order 12838, Termination and Limitation of Federal Advisory Committees, the Department will terminate the National Arboretum Advisory Council and the Human Nutrition Board of Scientific Counselors and will not establish the Alternative Agriculture Research and Commercialization Center Advisory Committee. In addition, the ten current Agriculture Technical Advisory Committees for Trade (ATAC) will be terminated in January 1994, and six new ATAC committees will be chartered to take their place during 1994. The six new committees are: (1) Fruits, Vegetables and Processed Foods (2) Animal Products (3) Oilseeds, Grain and Feed (4) Tobacco, Cotton and Peanuts, (5) Sweeteners, and (6) a committee to be designated later.

Under the consolidated account, 30 committees are currently identified for fiscal year 1995. Fifteen are established by statute, and the remaining 15 are established by the Department, either independently, or upon the recommendation of Congress.

## JUSTIFICATION OF INCREASES AND DECREASES

(1) A net increase of \$37,000 for advisory committees (\$940,000 available in 1994) consisting of:

(a) An increase of \$49,000 for committee operations.

Need for Change. This increase is needed for anticipated activities within the advisory committees in assisting and advising the Secretary as the Department begins the restructuring of its programs and activities as part of "reinventing Government." Funds have been set aside in a reserve for this purpose and will be allocated once the specific needs for program expertise and advice are identified. Even with this increase, the committees do not exceed the target established by the Office of Management and Budget for this appropriation in fiscal year 1995.

Nature of Change. Funds are provided for anticipated committee activities. The work of these committees will be carried out within the advisory committees organization and funding structure.

(b) A decrease of \$12,000 for administrative efficiency.

Need for Change. To implement the President's Executive Order to reduce overhead-type outlays from the FY 1993 baseline by 3 percent in FY 1994, 6 percent in FY 1995, 9 percent in FY 1996, and 14 percent in FY 1997, budget authority in 1995 will be reduced by \$12,000.

Nature of Change. In order to achieve this savings, the advisory committees will reduce discretionary expenses by \$12,000 in FY 1995, in areas such as supply purchases and printing and reproduction costs.

Estimates for the Department's Advisory Committees by major policy area follow.

## USDA ADVISORY COMMITTEES

<u>Policy Area and Committee Title</u>	1993 Actual	1994 Estimate	1995 Estimate
<b>Office of the Secretary:</b>			
Alternative Agricultural Research & Commercial Ctr.	\$27,112	\$-	\$-
<b>Food and Consumer Services:</b>			
National Advisory Council on Maternal, Infant and Fetal Nutrition . . . . .	7,989	11,995	11,995
National Advisory Council on Commodity Distribution . . . . .	25,255	26,265	26,265
Dietary Guidelines Advisory Committee . . . . .	--	21,822	21,822
National Nutrition Monitoring Advisory Council . .	19,900	19,649	19,649
Advisory Committee on Welfare Simplification and Coordination . . . . .	49,978	5,000	--
Total . . . . .	103,122	84,731	79,731
<b>Science and Education:</b>			
National Agricultural Research and Extension Users Advisory Board . . . . .	102,641	112,723	112,723
National Arboretum Advisory Council . . . . .	12,587	--	--
Human Nutrition Board of Scientific Counselors . .	2,722	--	--
Advisory Council for National Genetics Research . .	13,844	14,811	14,811
Science and Education National Research Initiative	4,805	20,000	20,000
Animal Health Science Research Advisory Board . .	900	15,309	15,309
Forestry Research Advisory Council . . . . .	3,195	20,000	20,000
Committee of Nine . . . . .	23,324	22,656	22,656
Agriculture Biotechnology Research Advisory Committee . . . . .	56,647	46,526	46,526
Joint Council on Food and Agriculture Sciences . .	99,830	100,000	100,000
Agriculture Science and Technology Review Board	29,142	20,000	20,000
Advisory Council on National Sustainable Agriculture . . . . .	19,981	22,305	22,305
Total . . . . .	369,618	394,330	394,330
<b>Marketing and Inspection Services:</b>			
Federal Grain Inspection Advisory Committee . . .	3,062	14,811	14,811
National Advisory Committee on Meat & Poultry Inspection . . . . .	17,077	33,452	33,452
National Advisory Committee on Microbiological Criteria for Foods . . . . .	65,960	52,114	52,114
<b>Advisory Committees on:</b>			
Foreign Animal and Poultry Diseases . . . . .	27,765	29,870	29,870
General Conference Committee of the National Poultry Improvement Plan . .	--	10,504	10,504
National Animal Damage Control . . . . .	--	9,969	9,969
National Organics Standards Board . . . . .	43,090	45,071	45,071
Total . . . . .	156,954	195,791	195,791



## USDA ADVISORY COMMITTEES

<u>Policy Area and Committee Title</u>	<u>1993 Actual</u>	<u>1994 Estimate</u>	<u>1995 Estimate</u>
<b>International Affairs and Commodity Programs:</b>			
Agriculture Policy Advisory Committee for			
Trade . . . . .	14,848	18,404	18,404
Technical Advisory Committee for Trade in:			
Cotton . . . . .	13,821	4,601	--
Fruits and Vegetables . . . . .	13,821	4,601	--
Grain and Feed . . . . .	14,847	4,601	--
Livestock and Livestock Products . . . . .	14,847	4,601	--
Oilseeds and Oilseed Products . . . . .	13,821	4,601	--
Poultry and Eggs . . . . .	13,821	4,601	--
Tobacco . . . . .	13,821	4,601	--
Dairy Products . . . . .	13,821	4,601	--
Sweeteners . . . . .	13,821	18,404	18,404
Processed Food . . . . .	13,821	4,601	--
Fruits, Vegetables & Processed Foods . . . . .	--	9,201	18,404
Animal Products . . . . .	--	9,201	18,404
Oilseeds, Grain & Feed . . . . .	--	9,202	18,403
Tobacco, Cotton, & Peanuts . . . . .	--	4,601	18,403
To be designated 1/ . . . . .	--	4,601	18,403
Total . . . . .	155,110	115,023	128,825
<b>Small Community and Rural Development:</b>			
President's Council on Rural America . . . . .	117	--	--
<b>Economics:</b>			
National Agriculture of Cost of Product Standards			
Review Board . . . . .	34,273	37,911	37,911
<b>Departmental Administration:</b>			
Citizen's Advisory Committee on Equal Opportunity	--	36,825	36,825
Committee Management . . . . .	50,000	--	--
Total . . . . .	50,000	36,825	36,825
Reserve for Contingencies . . . . .	--	75,389	103,587
Total, Advisory Committees . . . . .	896,306	940,000	977,000

1/ One additional Agricultural Technical Advisory Committee will be established during FY 1994 to provide representation for other U.S. agricultural products which are presently not represented by the other ATACs.

## ADVISORY COMMITTEES

### STATUS OF PROGRAM

The appropriation provides for direction and financial support of all authorized USDA Advisory Committee activities other than those included in the Forest Service and those financed from user fees. The Assistant Secretary for Administration is the Committee Management Officer and provides the policy guidance for the establishment and continuation of committees.

A table containing information on the authority and committee membership for each committee appears at the end of the committee activity descriptions.

### OFFICE OF THE SECRETARY:

#### Alternative Agriculture Research and Commercialization Center

The Alternative Agriculture Research and Commercialization Center Advisory Council advises the Alternative Agriculture Research and Commercialization Board and Regional Centers on all applications for assistance for projects commercializing new nonfood and nonfeed products using agricultural commodities.

In keeping with the Executive Order to limit Federal Advisory Committees, it was decided to cease plans to establish the Council. It was agreed by Department officials and key Congressional supporters that the duties of the proposed Advisory Council were currently being conducted effectively in an informal manner.

### FOOD AND CONSUMER SERVICES:

#### National Advisory Council on Maternal Infant and Fetal Nutrition

This Council makes a continuing study of the Special Supplemental Food Program for Women, Infants and Children (WIC) and related programs such as the Commodity Supplemental Food Program (CSFP) to determine how these programs may be improved. The Council is required by law to report its recommendations for changes to the President and Congress every two years.

No meeting was held during fiscal year 1993. A meeting was held October 20-22, 1993, in Alexandria, Virginia. The Council focused on the recommendations for the 1994 report to the President and Congress. No other meetings are scheduled for fiscal year 1994.

#### National Advisory Council on Commodity Distribution (NACCD)

This Council was established to advise the Secretary of Agriculture on the distribution of donated commodities to recipient agencies. It provides guidance on regulations and policy development on specifications.

The Council held one meeting in fiscal year 1993 in Arlington, Virginia. Eleven Council members attended. During this meeting, the Council developed its recommendations for the annual report to the Congress which is now in clearance. The report contained recommendations for refining commodity specifications, and improving purchase and delivery systems for donated foods. Other recommendations included a request to Congress to reinstate the 3 cents per meal commodity support for the School Breakfast Program, eliminate the Cash and Commodity Letter of Credit demonstration projects, and consider merging food assistance programs.

#### Dietary Guidelines Advisory Committee (DGAC)

The purpose of this Committee is to advise the Secretaries of Agriculture and Health and Human Services if a review of Dietary Guidelines for Americans is currently warranted based on advances in scientific knowledge and to advise the Secretaries of any recommended revision to the Guidelines. They were last revised in 1990.

In fiscal year 1993, a Federal Register notice invited nominations to the Dietary Guidelines Advisory Committee. Several public meetings will be held in fiscal year 1994 to formulate recommendations for revising the Guidelines in 1995.

### National Nutrition Monitoring Advisory Council (NNMAC)

The National Nutrition Monitoring Advisory Council provides scientific and technical advice on the development and implementation of the coordinated program and comprehensive plan for the nutrition monitoring and related research program and advises the Secretaries of Agriculture and Health and Human Services.

The Council, which met on May 18-19, 1993, in Washington, D.C., invited speakers from several States to discuss nutrition monitoring programs and indicate their uses and needs for nutrition monitoring data. The Council drafted a report which should be issued to the Secretaries of USDA and DHHS in January 1994.

A meeting was held on October 19-20, 1993, to discuss and hear presentations from Federal and Congressional staff on the Federal budget process and priority-setting for the nutrition monitoring program. A second meeting is planned to continue addressing identified areas of focus, to develop and implement a mechanism to monitor the Ten-Year Comprehensive Plan, and to develop the Council's annual report of evaluation and recommendations to the Secretaries of USDA and DHHS.

### Advisory Committee on Welfare Simplification and Coordination (ACWSC)

This Committee examined ways to improve the coordination of services to applicants and participants of the Food Stamp, Aid to Families with Dependent Children, Medicaid, and housing programs. The Committee reported its findings and recommendations to Congress and the Secretaries of Agriculture, Health and Human Services, and Housing and Urban Development by July 1, 1993.

The Committee met January 6-8, 1993, in Charlotte, North Carolina. Members of the Committee visited three innovative transitional housing sites and discussed the basic principles and recommendations to be included in the final report to Congress.

The final meeting was held March 11-12, 1993, in Wilmington, Delaware. The Committee was briefed on the Administration's welfare reform initiatives, and discussed the Electronic Benefit Transfer System (EBT) with Federal and state program officials. The Committee also visited Delaware's One-Stop Services and reviewed a draft of the final report.

Committee activity ended following the submission of its findings to Congress and the Administration in accordance with section 1778 of the Mickey Leland Memorial Domestic Hunger Relief Act (P.L. 101-624).

### SCIENCE AND EDUCATION:

#### National Agricultural Research and Extension Users Advisory Board

This statutory committee is composed of 21 citizens reporting directly to the Secretary, the President, and the Congress on policies, programs, and planning in the food and agricultural sciences.

At the meeting on February 16-19, 1993, the UAB and Joint Council reviewed research, teaching, and extension initiatives and issues. Presentations were heard from agency heads and Colleges of Agricultural representatives about the President's fiscal year 1994 budget proposal for agricultural science and education programs. In a separate session, the Board identified and addressed five critical issues in research, teaching, and extension that will be the focus of the fiscal year 1995 report on program priorities. Eighteen UAB members attended the February meeting.

At the meeting held in Arkansas, Mississippi, and Tennessee on May 19-23, 1993, the UAB reviewed and assessed rural economic development programs that create business and quality of life opportunities for rural communities, developed recommendations on ways public agencies, private non-profit organizations, and for-profit businesses can collaborate to accomplish common goals that benefit rural areas; and wrote the Congressionally mandated report for the Secretary and Congress recommending science and education priorities for fiscal year 1995. Sixteen members attended this meeting.

The Board's July report, Science and Education Issues: A midyear report of citizen concerns and recommendations for American agricultural research, teaching, and extension, was distributed to 1,000 people.

Two UAB meetings will be conducted in fiscal year 1994. At the February meeting the Board will appraise the proposed fiscal year 1995 budget for Science and Education. At the May meeting the Board will

recommend program priorities for Science and Education in fiscal year 1996. The Board will combine this appraisal and priorities in one published report.

#### National Arboretum Advisory Council

This Council advises the Department on activities and long-range plans at the National Arboretum relating to tree and plant life research and education.

The annual meeting was held on May 24-25, 1993, at the National Arboretum, Washington, D.C. with fourteen Council members in attendance. There was a review of existing research and education programs and long-range plans to meet the needs of the user community and general public. A report was finalized but never sent to the Secretary. The committee was recommended for termination as part of the Executive Order to limit Federal advisory committees.

#### Human Nutrition Board of Scientific Counselors

The Board reviews research progress and educational activities of the USDA and reports to the Secretary on program direction, priorities, scope of activities, and quality of programs in human nutrition, research and education. There were no appointments or meetings in 1993. The committee was recommended for termination as part of the Executive Order to limit Federal advisory committees.

#### Science and Education National Research Initiative Advisory Committee

This Committee advises the Secretary of Agriculture concerning the administration of the Science and Education National Research Initiative to assure that research is carried out on the highest priority areas with the widest participation by qualified scientists. Members are scientists drawn from government, industry, and academe and are representatives of the diverse food and agricultural system.

No meetings were held in fiscal year 1993 because this Committee was being reestablished. It is currently anticipated that one meeting will be held in fiscal year 1994 when the charter is approved and new members are appointed.

#### Advisory Council for National Genetics Resources

This Council assesses national needs to identify high-priority programs for conserving, utilizing, and distributing plant genetic resources for the Secretary of Agriculture and officers of the National Association of State Universities and Land-Grant Colleges. The program's aim is to collect, preserve, and disseminate genetic material of importance to American food and agricultural production.

The Council met on December 15-16, 1992, and May 12-13, 1993, in Washington, D.C. It addressed policy issues relating to the Convention on Biological Diversity, exchange of genetic resources, sustainable agriculture, and material transfer agreements. The next meeting was held on December 15-16, 1993. The Council examined the use of material transfer agreements in the exchange of intellectual property, the maintenance of protected material within Federal facilities, and all aspects of genetic resources.

#### Animal Health Science Research Advisory Board

This Board advises the Secretary of Agriculture on the implementation and priorities of animal health research authorized by the National Agricultural Research, Extension and Teaching Policy Act of 1977, as amended. The Board did not meet during fiscal year 1993 because the charter had not been renewed or members appointed. The Board will meet once in fiscal year 1994.

#### Forestry Research Advisory Council

This Council advises the Secretary of Agriculture on national and institutional administration of the McIntire-Stennis Cooperative Forestry Research Program. Effective May 10, 1993, a revised charter expanded the Council's scope to include providing advice related to the Forest Service research program. The Secretary annually receives a report from this Council concerning regional and national research



planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries.

Because of the revised Charter, the entire Council membership is being reconstituted. Candidates have been solicited from a broad range of groups concerned with forestry research, and nominations will be presented to the Secretary early in fiscal year 1994. No meetings were held in fiscal year 1993. One meeting is planned for fiscal year 1994.

#### Committee of Nine

The Committee of Nine advises the Secretary of Agriculture in the conduct, management, and administration of cooperative regional research. The Committee develops and implements administrative procedures and recommends policies conducive to effective regional research; monitors the regional research program to insure adequate commitment and achievement by participants; reviews research priorities, and compares them with priorities in research projects in the regional program; and encourages development of agricultural research projects within or among regions to promote a sound and prosperous agricultural, rural life and welfare of the consumer.

Meetings were held May 11-13, 1993, and September 8-9, 1993, in Washington, D.C. An in-depth review and evaluation were made of projects in their first two years of operation. Accomplishments included development of a training video for administrative advisers, discussion of a proposed video or similar mechanism to further define the Regional Research Program and illustrate the value of Regional Research Funds, and proposed alternative management strategies for Regional Research which, if implemented, would streamline the evaluation process of new and revised proposals and secure a stronger commitment by State Agricultural Experiment Station directors for applicable resources.

There are approximately 168 regional research projects. In fiscal year 1993, the Committee reviewed and took action on 54 regional research proposals including: 11 new proposals, 23 revisions, 12 extensions, 6 deferrals, and 2 rejections.

Meetings are scheduled for May and September 1994.

#### Agricultural Biotechnology Research Advisory Committee (ABRAC)

ABRAC advises the Secretary of Agriculture on policies, programs, operations, and activities associated with agricultural biotechnology research. It oversees the review of proposed research projects, evaluates the adequacy of draft proposals used by USDA in preparing environmental assessments of the above research projects, recommends necessary revisions to research guidelines and protocols, advises other Federal and State agencies on agricultural related research projects, and provides information to and maintains cognizance of Institutional Biosafety Committees (IBCs) to assure the availability of essential personnel to carry out oversight of agricultural related biotechnology functions.

One full ABRAC meeting and two ABRAC working group meetings were held in fiscal year 1993. The first working group meeting took place October 15, 1992, in Minneapolis, Minnesota. It was attended by nine members, four visitors, and one staff member. The Committee drafted performance standards for the ecological risk assessment of research involving genetically modified fish, crustaceans, and mollusks in aquatic research facilities such as tanks, raceways, and ponds.

The second working group meeting took place April 8, 1993, in Washington, D.C. It was attended by nine members, and eight staff members, who developed a science-based process that Federal regulators could use to determine the safety of food prepared from transgenic livestock animals.

The final ABRAC meeting on June 29-30, 1993, in Research Triangle Park, North Carolina was attended by 16 visitors, 12 members, and eight staff members. The meeting was immediately preceded by a two day conference on "Symbol, Substance, and Science: The Social Issues of Food Biotechnology." The Committee reviewed and revised the recommendations developed by the Transgenic Animal Working Group and discussed the results of the preceding food biotechnology conference.

In fiscal year 1994, ABRAC will conduct one full committee meeting in Arlington, Virginia and two or three small working group meetings.

### Joint Council on Food and Agricultural Sciences (ICFAS)

This statutory Council has the primary responsibility of bringing "about more effective research, extension, and teaching in the food and agriculture sciences in the United States by improving the planning and coordination of publicly and privately supported food and agriculture science activities and by relating Federal budget development and program management to these processes." The Council advises the Secretary and the Congress on priorities, policies, programs, planning, and coordination matters regarding the food and agriculture science and education system in the United States.

Two meetings were held by the Joint Council in fiscal year 1993. On February 16-17, 1993, in Washington, D.C., the Joint Council and UAB held their combined annual meeting. Activities at this meeting are discussed under the National Agricultural Research and Extension Users Advisory Board. Nineteen members attended.

The September 20-21, 1993, meeting was also held in Washington, D.C. The Council's agenda topics were food safety and nutrition programs, strategic planning, and agricultural science and education priorities and issues. Seventeen members attended this meeting.

During fiscal year 1993, the Council published the Fiscal Year 1995 Priorities for Research, Extension, and Higher Education. Also, 2,000 updated copies of the Council's June 1993 report, Five-Year Plan for the Food and Agricultural Sciences (Update), were disseminated.

### Agricultural Science and Technology Review Board

The Agricultural Science and Technology Review Board's purpose is to provide analysis on technologies so that legitimate priorities for funding and strategies can be made on emerging agricultural and environmental science issues. The Board is mandated to write a technology assessment report on current and emerging technologies that advance the six purposes of research as stated in Title 14 of the 1990 Farm Bill.

The Board met three times in fiscal year 1993. The first meeting was held December 8-9, 1992, in Washington, D.C. The Board identified current and emerging agricultural research and technology transfer initiatives, natural resources, nutrition, and the broad social, economic, and health consequences on urban and rural communities. Eleven members attended this meeting. The second meeting was held April 7-9, 1993 in Arkansas. The Board developed a matrix to evaluate the technologies identified at the previous meeting. Ten members attended this meeting. The final meeting was held July 14-16, 1993, in Washington, D.C. The Board further developed its assessment technology and used the matrix to assess six technologies. Ten members attended this meeting. The findings from the Board's three meetings were documented in the December 1993 report.

### National Sustainable Agriculture Advisory Council

The Advisory Council on National Sustainable Agriculture is authorized by the FACT Act of 1990 to recommend projects that should receive funding, promote programs, coordinate research and extension activities, and establish general procedures for awarding and administering funds under the Sustainable Agricultural Research and Education program. The Council also considers recommendations for improving programs and facilitates cooperation and integration between sustainable agricultural, water quality, integrated pest management, food safety, and other related programs.

The Council held one meeting on June 9-11, 1993, in Omaha, Nebraska. Three recommendations were presented at the meeting: 1) to hold a summit meeting of NSAAC and top USDA personnel, 2) to have all USDA agencies provide NSAAC with a baseline evaluation of funds spent on sustainable agriculture, and 3) to request that representatives from Integrated Pest Management, water quality, and food safety research and education activities attend the next meeting. Also, visits were made to a farm practicing sustainable agriculture and to the University of Nebraska-Lincoln Agricultural Research and Extension Station at Mead.

MARKETING AND INSPECTION SERVICES:Federal Grain Inspection Service Advisory Committee

This Committee advises the Administrator of the Federal Grain Inspection Service (FGIS) on the implementation of the U.S. Grain Standards Act and the Agricultural Marketing Act. No meeting was held in fiscal year 1993. One full committee meeting is scheduled for fiscal year 1994.

National Advisory Committee on Meat and Poultry Inspection

The Secretary of Agriculture is required by Federal inspection laws to consult with this Committee prior to issuing product standards, labeling changes, or on matters affecting Federal and State inspection program activities. This Committee also reviews initiatives, helps develop standard descriptive terminology, and recommends when the regulatory policies need to be reexamined.

One meeting was held April 7-8, 1993, in Bethesda, Maryland. The Committee endorsed the Food Safety and Inspection Service (FSIS) Track I/Track II Strategic Plan and the Pathogen Reduction Program. Presentations were also given on food labeling, risk assessment, Hazard Analysis and Critical Control Points system development and international programs. The Committee plans to meet twice within the next fiscal year.

National Advisory Committee on Microbiological Criteria for Foods

The National Advisory Committee on Microbiological Criteria for Foods is currently co-sponsored by the Food Safety and Inspection Service, the Food and Drug Administration, National Marine Fisheries Service and the U.S. Army Surgeon General's Office. The Committee provides advice on the development of microbiological criteria by which the safety and wholesomeness of the Nation's food supply can be assessed, including criteria for microorganisms that indicate whether foods have been processed using good manufacturing practices.

During fiscal year 1993 meetings were held on February 2-5, in Orlando, Florida, April 12-13, in Cincinnati, Ohio, May 26-27, in Washington, D.C., and June 14-18 in Reston, Virginia. Three formal reports were presented to the Secretaries of Agriculture and Health and Human Services: (1) Generic HACCP for Raw Beef (2) Campylobacter jejuni/coli and (3) The Role of Regulatory Agencies and Industry in HACCP. The Committee provided its sponsors and those concerned with food safety with concrete recommendations that can be incorporated into food protection systems.

The Committee is scheduled to meet four to six times in fiscal year 1994 to complete a report on a generic Hazard Analysis Critical Control Points system for poultry, deliberate on risk assessment, review and develop consumer educational materials, and develop a new strategic plan for the next five years.

Advisory Committee on Foreign Animal and Poultry Diseases (FAPD)

This Committee advises the Secretary on the means to prevent, suppress, control, or eradicate an outbreak of foot-and-mouth disease (FMD) or other destructive foreign animal or poultry diseases should such diseases enter the United States. Committee duties involve advising and counseling on policy and regulatory action pertaining to dealing with an outbreak, changing practices in the production and marketing of animals, the importation of animals and animal products, and the handling and treatment of unusual, suspicious animal or poultry disease problems.

Eighteen members attended the Committee meeting held on June 29-July 1, 1993, in Laurel, Maryland. Topics of discussion included: Veterinary Services' organizational plans, Foreign Animal Diseases (FAD) strategic plan, the emergency plans for emergency preparedness and the international test exercise with Canada, world status of exotic animal diseases, animal research and progress in FAD research at Plum Island, FAD training and diagnostic test development, screwworm eradication in Mexico and Central America, and import/export challenges and risk assessment in international trade.

Sixteen comments or recommendations were made by the Committee. They addressed the Emergency Program Chief's position, FAD diagnostic investigations, reporting and laboratory fee schedules, quarantine requirements for exotic equine diseases, support for animal health monitoring and surveillance, the joint United States-Mexico tuberculosis committee, quarantine facilities on the west coast, fees to cover costs of Harry S. Truman Animal Import Center, USDA quarantine authority for all animal species, risk assessment and regionalization in international trade, FAD research at Plum Island,



aid other countries in an emergency, bovine spongiform encephalopathy, hog cholera, screwworm, the extra label drug bill, and avian disease infection terminology.

At least one meeting of the Committee will be held in fiscal year 1994 to receive recommendations on a number of subjects pertaining to preventing the introduction of foreign animal disease, strategies designed to contain incursions, risk assessment involving international trade, environmental issues, emergency preparedness, and animal import requirements.

#### General Conference Committee of the National Poultry Improvement Plan (NPIP)

The General Conference Committee represents cooperating State agencies and poultry industry members, and serves as liaison between the poultry industry and the U.S. Department of Agriculture on matters pertaining to poultry health. In fiscal year 1993, the General Conference Committee did not hold any meetings. One meeting is planned for June 27-29, 1994, in Nashville, Tennessee in conjunction with the Biennial Conference of the NPIP.

#### National Animal Damage Control Advisory Committee

This Committee provides advice to the Secretary on policies, program issues, and research needed to conduct the Animal Damage Control (ADC) program. Members represent a broad spectrum of agricultural, environmental and conservation groups, academia, and other interests. No meeting was held in fiscal year 1993. One full committee meeting is scheduled for fiscal year 1994 in Falls Church, Virginia.

#### National Organic Standards Board

The National Organic Standards Board was established to provide recommendations to the Secretary on implementing the Organic Foods Production Act of 1990, which authorizes a national organic production program establishing national standards for the production and certification of organically produced foods.

During fiscal year 1993, three meetings were held: May 15-20 in Kutztown, Pennsylvania, July 7-11 in Cottage Grove, Oregon, and September 26-29 in Fargo, Arkansas. The Board developed draft recommendations for crops covering an organic farm plan, emergency spray exemptions, residue testing, planting stock policies, split operations, small farmer exemption, and pesticide and fertilizer drift. The Board approved an organic handler plan for processors, and breeder stock and feed standards for livestock. The Board also approved the accreditation of certifiers to become national certifying agents. The Board is working on a national list of approved and prohibited materials.

#### INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS:

##### Agricultural Policy Advisory Committee for Trade

##### Agricultural Technical Advisory Committees for Trade (10)

These advisory committees seek information and advice from representative elements of the private sector on negotiating objectives and bargaining positions before entering into a trade agreement, on the operation of any trade agreement once entered into, and on other matters arising in connection with the administration of United States trade policy.

The committees currently in existence are an Agricultural Policy Advisory Committee for Trade (APAC), and ten Agricultural Technical Advisory Committees for Trade (ATACs) in agricultural commodities (cotton, fruits and vegetables, grain and feed, livestock and livestock products, oilseeds and oilseeds products, poultry and eggs, tobacco, dairy products, sweeteners and processed foods). The APAC provides advice regarding overall agricultural trade issues, and the ATACs provide detailed technical advice and information on their respective commodities. Each of these committees is composed of various agricultural interests such as farmers, farm and commodity organizations, processors, and traders, etc. The committees are reasonably limited in size with attention to representation from most aspects of the commodity trade and to minority and multi-sized entities.

During fiscal year 1993, some topics discussed in meetings were: 1) the North American Free Trade Agreement (NAFTA), 2) U.S.-Canadian Free Trade Agreement, 3) GATT Ministerial Meetings and the Uruguay Round of GATT negotiations as they affect U.S. agriculture, 4) Bilateral agricultural trade issues



concerning the United States and its trading partners, 5) USDA export promotion programs and the proper role of the Foreign Agricultural Service, 6) Federal legislation affecting U.S. agricultural trade and USDA programs, and 7) other items of specific interest to the individual committee members. All meetings were held in USDA facilities in Washington, D.C. The Agricultural Policy Advisory Committee met once during the fiscal year. The Agricultural Technical Advisory Committees each held the following number of meetings: Tobacco, 3; Processed Foods, 1; Fruits & Vegetables, 2; Cotton, 3; Grain and Feed, 3; Dairy, 2; Sweeteners, 2; Poultry and Eggs, 2; Livestock, 2, and Oilseeds, 2.

Pursuant to Executive Order 12838, the ten current ATAC committees will be terminated in January 1994, and five new ATAC committees will be chartered to take their place. The five new committees are: (1) Fruits, Vegetables & Processed Foods (2) Animal Products (3) Oilseeds, Grain & Feed (4) Tobacco, Cotton & Peanuts and (5) Sweeteners.

#### ECONOMICS:

##### National Agricultural Cost of Production Standards Review Board (PSRB)

This Board reviews the adequacy, accuracy, and timeliness of the cost of production methodology used by the Department in determining specific cost of production estimates, reviews the adequacy of the parity formulae, advises the Secretary on such matters dealing with the cost of production of agricultural commodities and price support operations as the Secretary may request, and makes such recommendations to the Secretary as it deems appropriate, including ways in which the cost of production methodology and parity formulae can be improved.

The Board held two meetings in fiscal year 1993, February 25-26, in San Antonio, Texas, and July 26-27, in Washington, D.C. Actions focused on Board member discussions of current USDA procedures for incorporating computing machinery costs under alternative methods, accounting for government program participation returns and costs, and valuing operator and unpaid family labor into cost production estimation. The Board reviewed the results of the 1992 hog cost production survey used to prepare USDA estimates.

Two meetings are planned for fiscal year 1994. The first meeting is planned for February 17-18, 1994. The agenda for this meeting includes review of the final report of the American Agricultural Economics Association Cost of Production Task Force. The Board will discuss the effect of implementation of environmental regulations on cost of production estimation under a system of sustainable agriculture. The Board will also evaluate USDA's procedure for reconciling net farm income with average farm operator household income. The second meeting in fiscal year 1994 will be held in July or August.

#### DEPARTMENTAL ADMINISTRATION:

##### Citizens Advisory Committee on Equal Opportunity (CACEO)

The Citizens Advisory Committee (CAC) on Equal Opportunity advises the Secretary on the effectiveness of Departmental civil rights and equal opportunity policies and practices and recommends changes that would strengthen the Department's efforts in this area. In fiscal year 1993, the Citizens Advisory Committee on Equal Opportunity did not hold any meetings.

AUTHORITY AND COMPOSITION OF USDA ADVISORY COMMITTEES

<u>Committee Title</u>	<u>USDA Agency</u>	<u>Descrip. of Committee Authority Statutory (S)/Discretionary (D)</u>	<u>Committee Membership</u>
<u>FOOD AND CONSUMER SERVICES:</u>			
National Advisory Council on Maternal, Infant and Fetal Nutrition	FNS	S 42 U.S.C. 1786	24
National Advisory Council on Commodity Distribution	FNS	S 42 U.S.C. 1786	14
Dietary Guidelines Advisory Committee	HNIS	D Departmental Regulation 1042-94	9
National Nutrition Monitoring Advisory Council	HNIS	S P.L. 101-445	9
Advisory Committee on Welfare Simplification and Coordination	FNS	S 7 U.S.C. 2011	11
<u>SCIENCE AND EDUCATION:</u>			
National Agricultural Research and Extension Users Advisory Board	CSRS	S 7 U.S.C. 3123	21
National Arboretum Advisory Council	ARS	D Secretary's Memorandum 1702	23
Human Nutrition Board of Scientific Counselors	ARS	D Secretary's Memorandum 2030	13
Science and Education National Research Initiative Advisory Committee	CSRS	D Departmental Regulation 1043-5	17
Advisory Council for National Genetic Resources	ARS	S 7 U.S.C. 5843	9
Animal Health Science Research Advisory Board	CSRS	S 7 U.S.C. 3194	12
Forestry Research Advisory Council	CSRS	S 16 U.S.C. 582a	20
Committee of Nine	CSRS	S 7 U.S.C. 361(c)3	9
Agricultural Biotechnology Research Advisory Committee	CSRS	D Departmental Regulation 1042-87	15
Joint Council on Food and Agricultural Sciences	CSRS	S 7 U.S.C. 3122	21
Agricultural Science and Technology Review Board	CSRS	S 7 U.S.C. 3123(a)	11
National Sustainable Agriculture Advisory Council	CSRS	S 7 U.S.C. 5812	28

AUTHORITY AND COMPOSITION OF USDA ADVISORY COMMITTEES

<u>Committee Title</u>	<u>USDA Agency</u>	<u>Descrip. of Committee Authority Statutory (S)/Discretionary (D)</u>	<u>Committee Membership</u>
<u>MARKETING AND INSPECTION SERVICES:</u>			
Federal Grain Inspection Service Advisory Committee	FGIS	S 7 U.S.C. 87i	15
National Advisory Committee on Meat and Poultry Inspection	FSIS	S 21 U.S.C. 601	15
National Advisory Committee on Microbiological Criteria for Foods	FSIS	D Departmental Regulation 1043-28	26
Advisory Committee on Foreign Animal and Poultry Diseases	APHIS	D Secretary's Memorandum 1781	19
General Conference Committee of the National Poultry Improvement Plan	APHIS	D Secretary's Memorandum 1758	13
National Animal Damage Control Advisory Committee	APHIS	D Departmental Regulation 1043-27	20
National Organic Standards Board	AMS	S 7 U.S.C. 6518	14
<u>INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS:</u>			
Agricultural Policy Advisory Committee for Trade	FAS	D Secretary's Memorandum 1869	33
Ag. Tech. Adv. Comm. for Trade:			
Cotton	FAS	D Secretary's Memorandum 1868	14
Fruits and Vegetables	FAS	D Secretary's Memorandum 1868	12
Grain and Feed	FAS	D Secretary's Memorandum 1868	14
Livestock and Livestock Products	FAS	D Secretary's Memorandum 1868	10
Oilseeds and Oilseed Products	FAS	D Secretary's Memorandum 1868	10
Poultry and Eggs	FAS	D Secretary's Memorandum 1868	8
Tobacco	FAS	D Departmental Regulation 1042-82	9
Dairy Products	FAS	D Secretary's Memorandum 1868	19
Sweeteners	FAS	D Secretary's Memorandum 1868	10
Processed Foods	FAS	D Departmental Regulation 1042-68	12
<u>ECONOMICS:</u>			
National Agricultural Cost of Production Standards Review Board	ERS	S 7 U.S.C. 4101	11
<u>DEPARTMENTAL ADMINISTRATION:</u>			
Citizen's Advisory Committee on Equal Opportunity	DA	D Secretary's Memorandum 1960	20

## HAZARDOUS WASTE MANAGEMENT

Purpose Statement

This program is designed to promote facility compliance under the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation Recovery Act (RCRA). These Acts require Federal agencies to meet the same standards for storage and disposition of hazardous wastes as private businesses. The funds provided for this program enable the Department to address problems posed by past uncontrolled hazardous waste disposal practices and to deal with the regulation of current hazardous substances.

A central fund has been established from which resources are allocated to USDA agencies according to priority of need. This approach permits the Department to correct compliance problems in a systematic manner.



## HAZARDOUS WASTE MANAGEMENT

Available Funds and Staff-Years  
1993 Actual and Estimated 1994 and 1995

Item	1993 Actual		1994 Estimated		1995 Estimated	
	Amount	Staff Years	Amount	Staff Years	Amount	Staff Years
Direct Appropriation:	\$16,000,000	1	\$15,802,000	3	\$26,000,000	3
Deduct allotments to other agencies:						
Commodity Credit Corp. . . .	-3,112,400	--	-2,963,000	--	-4,105,000	--
Forest Service . . . . .	-8,447,000	--	-7,798,000	--	-11,177,000	--
Agriculture Research Service .	-1,884,000	--	-1,233,000	--	-5,356,000	--
Farmers Home Administration	-1,581,600	--	--	--	--	--
Soil Conservation Service . .	-262,000	--	-250,000	--	--	--
Farm Service Agency . . . .	--	--	-1,800,000	--	-3,218,000	--
Animal and Plant Health Inspection Service. . . . .	--	--	-300,000	--	--	--
Office of the General Counsel	-513,000	--	-576,000	--	-945,000	--
Food Safety and Inspection Service. . . . .	-120,000	--	-240,000	--	-290,000	--
Federal Grain and Inspection Service. . . . .	--	--	-10,000	--	--	--
Program Administration . . .	-80,000	--	-392,000	--	-409,000	--
Total Allotments . . . . .	-16,000,000	--	-15,312,000	--	-25,500,000	--
Reserve for further allocation .	--	--	-240,000	--	-500,000	--
Total, HWM . . . . .	0	1	0	3	0	3

HAZARDOUS WASTE MANAGEMENT  
CLASSIFICATION BY OBJECTS  
1993 and Estimated 1994 and 1995

Personnel Compensation: a/		1993	1994	1995
11	Total personnel compensation . . . . .	\$2,626,000	--	--
12	Personnel benefits . . . . .	573,000	--	--
Total pers. comp. & benefits . . . . .		<u>3,199,000</u>	<u>--</u>	<u>--</u>
Other Objects:				
21	Travel . . . . .	252,000	--	--
22	Transportation of things . . . . .	24,000	--	--
23.3	Communications, utilities and miscellaneous charges . . . . .	27,000	--	--
24	Printing and reproduction . . . . .	12,000	--	--
25	Other services . . . . .	7,649,978	17,522,000	26,000,000
26	Supplies and materials . . . . .	68,000	--	--
31	Equipment . . . . .	148,000	--	--
32	Lands and structures . . . . .	6,222,000	--	--
41	Grants, subsidies and contributions . . . . .	73,000	--	--
42	Insurance claims & indemnities . . . . .	80,000	--	--
43	Interest and dividends . . . . .	2,000	--	--
Total other objects . . . . .		<u>14,557,978</u>	<u>17,522,000</u>	<u>26,000,000</u>
Total direct obligations . . . . .		<u>17,756,978</u>	<u>17,522,000</u>	<u>26,000,000</u>

a/ Staff years for oversight of Hazardous Waste Management activities are included under the Forest Service Appropriation. The Forest Service charges this central account for hours worked in support of hazardous waste management. In addition, USDA agencies charge this account for portions of salaries and benefits for staff time devoted to hazardous waste management activities.

## HAZARDOUS WASTE MANAGEMENT

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Hazardous Waste Management

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107g of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607g, and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, [~~\$15,802,000~~] \$26,000,000, to remain available until expended: Provided, that appropriations and funds available herein to the Department of Agriculture for hazardous waste management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

## HAZARDOUS WASTE MANAGEMENT

Appropriations Act, 1994 . . . . .	\$15,802,000
Budget Estimate, 1995 . . . . .	26,000,000
Increase in Appropriation . . . . .	<u>+10,198,000</u>

SUMMARY OF INCREASES AND DECREASES

(On basis of appropriation)

Item of Change	1994 Estimated	Program Changes	1995 Estimated
Hazardous Waste Management	\$15,802,000	+\$10,198,000	\$26,000,000

## PROJECT STATEMENT

(On basis of appropriation)

Item of Change	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Hazardous Waste Management . .	\$14,280,124	1	\$15,802,000	3	\$10,198,000	\$26,000,000	3
Unobligated Balance end of year . . . . .	+1,719,876	--	--	--	--	--	--
Total Available or Estimate . . .	16,000,000	1	15,802,000	3	+10,198,000(1)	26,000,000	3

## PROJECT STATEMENT

(On basis of available funds)

	1993 Actual		1994 Estimated		Increase or Decrease	1995 Estimated	
	Amount	Staff Years	Amount	Staff Years		Amount	Staff Years
Hazardous Waste Management . .	\$16,000,000	1	\$15,802,000	3	+\$10,198,000	\$26,000,000	3
Recovery of prior year obligation . .	+1,286,789	--	--	--	--	--	--
Unobligated balance start of year . . . . .	+2,190,065	--	+1,719,876	--	-1,719,876	--	--
Unobligated balance end of year . . . . .	-1,719,876	--	--	--	--	--	--
Total available or estimate . . . . .	17,756,978	1	17,521,876	3	+8,478,124	26,000,000	3

EXPLANATION OF PROGRAM

This appropriation funds the Department's efforts to identify, assess, contain, and clean up hazardous waste sites in areas covered by programs of the Department or within Departmental jurisdiction. These responsibilities were imposed on all Federal agencies by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) and the Resource Conservation and Recovery Act (RCRA).

Because the Department identified a number of hazardous waste sites requiring remedial action, a central fund was established in fiscal year 1988. Resources from this fund are allocated to Departmental agencies according to priority needs.



GAO Reports

A General Accounting Office (GAO) audit report, "Superfund, Backlog of Unevaluated Federal Facilities Slows Cleanup Efforts," GAO/RCED-93-119 was completed in July, 1993. The GAO has two other audits in progress. The one entitled: "Federal Facilities, Agencies Have Been Slow to Determine the Scope and Cost of Their Hazardous Waste Cleanup Problems," GAO/RCED-94-73 is in the final draft stage. The second audit entitled: "Opportunities for Environmental Auditing by Federal Agencies," Assignment Code, 160212 is in the preliminary stage.

OIG Reports

The Office of the Inspector General has two audits in progress: "Hazardous Underground Storage Tanks," Audit Number 50099-xx-At and an "Audit Survey on Abandoned Mines."

JUSTIFICATION OF INCREASES AND DECREASES

- (1) An increase of \$10,198,000 to undertake hazardous waste compliance activities associated with remediation of soil and ground or surface water contamination under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and to meet underground storage tank requirements under the Resource Conservation and Recovery Act (RCRA) (\$15,802,000 available in 1994).

Need for Change. The Department's hazardous waste management program is structured to assist agencies to achieve compliance with applicable environmental laws. The Superfund Amendments and Reauthorization Act established specific deadlines for completing various phases of this work. The regulations promulgated under RCRA establish specific time frames for meeting underground storage tank requirements. The Department's progress on individual projects is tracked by the general public and the Environmental Protection Agency (EPA) through the Federal Agency Hazardous Waste Compliance Docket and OMB Circular A-106.

The following table shows the resources available to or requested by USDA agencies to comply with CERCLA and RCRA requirements.

FUNDING FOR CERCLA AND RCRA PROGRAMS  
(Dollars in Thousands)

PROGRAM	FY 1993 ESTIMATE	FY 1994 CURRENT EST.	FY 1995 REQUEST	CHANGE 94/95
RCRA	\$3,872	\$2,370	\$5,015	\$2,645
CERCLA	12,128	13,432	20,985	7,553
Total, All Programs	\$16,000	\$15,802	\$26,000	\$10,198

It is essential that the program level for hazardous waste management be raised in fiscal year 1995. High priority projects from previous years have been delayed because of budget reductions. Many of these projects may reach the crisis stage if funds are not made available. This includes such projects as the Plum Island Animal Disease Center underground storage tank project, where it is anticipated that the agency must meet a compliance schedule established by the EPA and the State of New York. Compliance with underground storage tank requirements must also be undertaken at Beltsville Agricultural Research Center.

The need to meet compliance schedules and requirements becomes even more imperative with the enactment of the Federal Facilities Compliance Act. This Act establishes that Federal facilities do not have sovereign immunity from the enforcement of State environmental laws and could be obligated to pay fines and penalties assessed by States. The impact could be tremendous on both the central USDA Hazardous Waste Management budget and agency resources if deadlines cannot be met, resulting in daily fines under State enforcement actions. The Secretary has already been notified that the State of Oregon plans to initiate punitive actions against USDA if adequate funding is not provided for timely cleanup of the White King/Lucky Lass mine project. Other sites such as Plum Island, Beltsville, Blackbird Mine and the site at Bruno, Nebraska formerly used by the Commodity Credit Corporation (CCC) could pose similar problems.

**RCRA PROGRAM:** An increase of \$2,645,000 for RCRA reflects a need for the Farmers Home Administration (FmHA), the Agricultural Research Service (ARS) and the Forest Service (FS) to comply with both Federal and State requirements for underground storage tanks. The FmHA increase is due to the need to comply with Federal and State UST requirements on properties taken into inventory through foreclosure, or other default for resale to the private sector. The FmHA currently has approximately 3,000 properties in inventory. The agency has an additional 3,500 properties which have pending foreclosure actions. The ARS increase is related to the need to comply with a broader scope of coverage and more stringent regulations established by State and local entities. This is beyond the requirements of the Federal regulations which have been established in previous years.

**CERCLA PROGRAM:** An increase of \$7,553,000 is requested for discovery, preliminary assessments, remedial investigations, feasibility studies, and expedited removal actions and cleanup work at 119 sites throughout the country. The increases are primarily for over 40 sites for FmHA, CCC, and the FS. The increases for FmHA involve cleanup of inventory properties that have been contaminated by improper use and disposal of pesticides, herbicides, and other farm chemicals. Soil and/or ground water contamination must be cleaned up before the properties can be put back on the market. The CCC increase relates to cleanup of community water supplies in towns in Nebraska and Kansas which have been contaminated with carbon tetrachloride and chloroform from fumigation efforts during the grain storage program that was discontinued in the 1970's. These formerly used sites must be cleaned up to provide safe drinking water for these rural communities. In some instances, interim measures such as providing bottled water for drinking may be necessary until a permanent solution can be developed and completed. The FS increase relates to cleanup of abandoned mines and closed sanitary landfills. Some of this increase also relates to natural resource damage assessment funding which is necessary to assess injuries to natural resources caused by third parties and which will result in settlements or litigation to recover damages to restore the environment.

**Nature of Change.** The fiscal year 1995 request provides USDA agencies with the resources needed to respond to crucial projects and to carry out an effective hazardous waste management program. The work under CERCLA will involve removal and remedial activities that include preliminary assessments, site investigations, analyses to identify potential site assessments, analyses to identify potential problems, cleanup strategies, and actual cleanup of sites. The discovery phase of identifying potential problems is virtually complete, with two notable exceptions. The Forest Service has not determined the magnitude of the problems associated with abandoned mines and closed sanitary landfills. The FmHA has not determined the number of contaminated properties they have in inventory or potentially through additional acquisitions. Much of the preliminary work has been completed in the other agencies so that cleanup will be underway on numerous projects. Because of the special training and expertise needed to conduct these activities, most of the work will be contracted out to qualified firms.

For RCRA facilities, the work will involve meeting underground storage tank requirements, including cleanup of contamination from tanks that have been leaking. It will also provide for cleanup of contamination at landfills or other unauthorized or unregulated land disposal sites. The work will also provide for UST removals to help achieve the objective of eliminating government-owned fuel facilities.

Allotments to USDA agencies are shown below. The allotments for fiscal year 1994 and 1995 are tentative, based on current program status.

Current and Proposed Allotment of Funds  
for Hazardous Waste Management  
(Dollars in Thousands)

Budget Activity	FY 1993 Estimate	FY 1994 Estimate	FY 1995 Estimate	Change 1994/1995
	Funds	Funds	Funds	Funds
Commodity Credit Corporation	\$3,112	\$2,963	\$4,105	+\$1,142
Forest Service	8,447	7,798	11,177	+ 3,379
Agricultural Research Service	1,884	1,233	5,356	+4,123
Farmers Home Administration	1,582	---	---	---
Soil Conservation Service	262	250	---	-250
Farm Service Agency	---	1,800	3,218	+1,418
Animal & Plant Health Inspection Service	---	300	---	-50
Office of the General Counsel	513	576	945	+369
Food Safety and Inspection Service	120	240	290	+50
Federal Grain Inspection Service	---	10	---	-10
Contingencies	---	240	500	+10
Program Administration	80	392	409	+17
<b>TOTAL</b>	<b>\$16,000</b>	<b>\$15,802</b>	<b>\$26,000</b>	<b>+10,198</b>

GEOGRAPHIC BREAKDOWN OF OBLIGATIONS AND STAFF YEARS  
1993 and Estimated 1994 and 1995

	1993		1994		1995	
	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>	<u>Amount</u>	<u>Staff Years</u>
Washington, D.C. . . . .	\$14,280,124	1	\$17,522,000	3	\$26,000,000	3
Unobligated balance . . .	1,719,876	--	--	--	--	--
Total Available or Estimate . . . . .	16,000,000	1	17,522,000	3	26,000,000	3

## HAZARDOUS WASTE MANAGEMENT

STATUS OF PROGRAM

This program provides for facility compliance with the requirements of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and the Resource Conservation Recovery Act (RCRA).

In August 1985, USDA initiated a Nation-wide survey to determine the overall scope of the problems associated with the past unregulated hazardous waste disposal practices and the current regulation of hazardous waste substances. USDA agencies identified and reported on facilities or sites in violation of applicable standards resulting in contamination of ground or surface water, as well as the release of hazardous substances. The initial survey identified a number of hazardous waste problems, which included improper handling of toxic chemicals at research facilities, inadequate storage of pesticides and other hazardous substances, and leaking underground storage tanks. Based on the potential magnitude of the costs of compliance, a central fund was created in fiscal year 1988 from which resources are reallocated to USDA agencies according to established need.

Current Activities:CERCLA Program

Much of the activity under this program has been directed toward site discovery, preliminary assessments, and site investigations aimed at verifying and quantifying individual project and overall program requirements. This step in the CERCLA process is important because it establishes the basis for further actions, as the data gathered is used to determine the next phases that may be necessary. For example, the Forest Service has identified a number of serious problems associated with past mining activities and abandoned mining wastes and with permitted municipal landfills located on National Forest lands. The Farmers Home Administration also has identified the need to cleanup hazardous wastes on properties obtained through foreclosure. All of these problems are expected to continue in the near future. Efforts are underway to attempt to recover costs for some of this work from potential responsible parties (PRPs).

In fiscal year 1993, USDA agencies initiated investigations at over 178 CERCLA sites. This work included preliminary assessments (PA's), site investigations (SI's), and two remedial investigation/feasibility studies (RI/FS's). All of the documents associated with these assessments, investigations, and studies have been submitted to the Environmental Protection Agency (EPA) and the appropriate State agencies for their review and approval.

Cleanup activities were completed at 139 sites. Many cleanups involved emergency removal actions associated with illegal dumps and hazardous material spills. However, many other cleanups involved removal or remedial actions which have resulted in permanent cleanup of the sites. For example, the Farmers Home Administration completed cleanup at over 40 sites which involved removal of containerized waste and proper disposal of contaminated material. The Agricultural Research Service and the Forest Service initiated major cleanup contracts in Maryland and Arizona, respectively, with work to be completed next fiscal year.

RCRA Program

The activity under this program has been directed toward compliance with underground storage tank (UST) requirements. This includes leak testing, monitoring tank removal, repair or replacement, and cleanup activities. USDA agencies made significant progress in this program this year by completing the following:

- **Forest Service** completed removal and cleanup of a total of 129 UST's;
- **Farmers Home Administration** removed 128 tanks; and
- **Soil Conservation Service (SCS)** removed UST's at 3 different locations throughout the country. Cleanup of contaminated soil was initiated at 3 sites where tanks leaked.

In addition to UST compliance, RCRA activities included the treatment and disposal of hazardous wastes. In fiscal year 1993, the Forest Service conducted site investigations and testing at ten sites and began corrective actions at 25 other sites. Much of this effort involved old sanitary landfills or dumps that have been closed for several years and now pose a threat for the release of hazardous substances. In some



cases, site testing has proven negative; therefore, no further work will be needed. However, additional testing and/or corrective actions will be necessary at many sites. The Forest Service also faces another potentially serious problem related to small, local municipal landfills that have been permitted on National Forest lands. Leachate from these facilities is causing both soil and ground water contamination. In many cases where local communities do not have the resources to take necessary corrective action, the Forest Service will be held liable as manager of the lands.

Other agencies also were involved in RCRA cleanup activities during fiscal year 1993. For example, the SCS installed equipment to reduce or eliminate waste pesticides and rinse waters at locations in Georgia and Oregon. The SCS also completed improvements for handling waste pesticides at facilities in Missouri, Oregon and California.

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ISBN 0-16-044358-X



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